Foundation. After considerable discussion, no action was taken relative to his request at this time.

Meeting was adjourned.

(Signed) FRANKLIN J. UNDERWOOD
Franklin J. Underwood
Secretary

Plaintiff's Exhibit 793

5604

MINUTES

Regular Monthly Meeting
Council of the Multnomah County Medical Society
December 2, 1947

The meeting was called to order by President Willard F. Hollenbeck. The following Council members were present: Drs. Willard F. Hollenbeck, Dean Seabrook, Matthew C. Riddle, R. H. Swinney, William H. Thayer, Marlowe Dittebrandt, Roger H. Keane, J. Milton Murphy, Wilbur M. Bolton, Franklin J. Underwood, William A. Shea, Morton J. Goodman, James E. Buckley and Thomas Montgomery. Also present were Drs. L. P. Gambee, E. W. Rockey, S. F. Crynes, C. H. Manlove, Eugene P. Owen, Thomas L. Meador, Forrest Rieke, Frank B. Queen, R. M. Coffey, Morris L. Bridgeman, Roderick E. Begg and Jeff Minckler.

The minutes of the November meeting were read and approved without correction.

• • • • •

Following the reading of the Minutes of the Multnomah County Supervisory Committee of the Oregon Physicians' Service, the following action was approved upon the recommendation of Dr. R. H. Swinney, Chairman of the Committee:

1. That the Society support the Committee's insistance that the $5.00 "first office visit" fee be used in the new fee schedule for services to the Multnomah County pool subscribers.

2. That the Society request the Oregon Physicians' Service to make the McKinsey and Company business engineering survey report available to the Supervisory Committee.

3. That the request of the National Permanente Foundation, asking that its two salaried physicians who are Multnomah County Medical Society members be permitted to acquire staff membership status in Oregon Physicians' Service, be referred to the Grievance Committee.

• • • • •

5605 Following the annual report of the Committee on Public Health by Dr. Morris L. Bridgeman, the Council approved a motion to request the Portland Academy of Pediatrics to make recommendations relative to the care of diarrheal patients and to investigate the adequacy of hospital facilities for the care of other infectious and contagious diseases in Multnomah County.

The following members of the Medical Society Telephone Service, Inc., were nominated by the Council for Trustee of the Telephone Service: L. Kimball Page, Charles W. Yost, Edwin G. Robinson, Russel L. Baker, and Gunnar E. Nelson. One Trustee of the three-member Board is to be elected to serve for the three-year term ending in 1951. The election will be held at the annual meeting of the Telephone Service on January 2, 1948. Dr. Nelson is the incumbent Trustee whose term is expiring.

Dr. Matthew C. Riddle, Chairman, Board of Censors, reported that during the year the membership of the Society had been increased by seventy-four. Twenty-two, whose "junior" membership period of three years had elapsed, were granted "active" status, and twenty-eight applications were pending

Other committees to submit annual reports were:

Committee on Program—Dr. Franklin J. Underwood, Chairman

Committee on Public Relations—Dr. Forrest E. Rieke, Chairman

Grievance Committee—Dr. T. Homer Coffen, Chairman

Committee on Public Policy—Dr. J. Milton Murphy, Chairman

Subcommittee on School Health—Dr. Eugene P. Owen, Chairman

Committee on Library—Dr. Martin Howard, Chairman

Committee on Medical Economics—Dr. J. E. Buckley, Chairman

Committee on Tuberculosis—Dr. Morton J. Goodman, Chairman
Committee on Maternal Welfare—Dr. Birchard A. Van Loan, Chairman
Committee on Finance—Dr. J. Milton Murphy, Chairman.

The report of the Board of Censors presented by Dr. Riddle recommended the following for membership in the Society:

Active

Jesse Benton Helfrich, 4340 N. E. Flanders
John Wayne Loomis, 11349 N. E. Sandy
Ronald Price Neilson, 225 Mayer Building

Associate

Arthur Walter Berg, 1215 N. E. 80th Avenue
Charles Wetzel Browning, 2821 N. E. Klickitat Street
Gordon Clarence Edwards, 1022 S. W. 11th
5606 Avenue

Associate

Harold Martin Engle, U. S. Veteran's Hospital
Theodore Leo Havlicek, 1625 N. E. 48th Avenue
Gordon David Steinfeld, 3024 N. E. 63rd Avenue

Junior

Joseph Phillip Amato, 425 Mayer Building
William James Gardner, 807 S. E. Powell Boulevard
Herbert Clagett Harding, 712 Medical Dental Building
Neel Irvin Huckleberry, Apt. 1928, Vanport
Allen Lauritz Mundal, 709 Pacific Building
John Merrill Reeh, 4212 N. E. Broadway
I. John Scovis, 2455 N. W. Marshall

On a motion duly made, seconded, and carried the Council approved the recommendations of the Board of Censors.

J. E. Buckley presented the report of the nominating committee in the absence of Howard C. Stearns. The council approved the report which recommended the following officers for 1948:

President-Elect—Harry S. Irvine
Vice-President—Wilbur M. Bolton
Secretary—Franklin J. Underwood
Treasurer—Marlowe Dittebrandt

Councilors

William H. Thayer
Roger H. Keane
Robert F. Miller
E. G. Chuinard
Leo J. Meienberg
John P. Trommald

Delegates to Oregon State Medical Society

H. F. Riedel
Walter C. Reiner
Russell L. Johnsrud
T. J. Pasquesi
E. Murray Burns
Carl G. Ashley
Kenneth P. Lancefield
Gordon B. Leitch
William A. Shea
R. H. Swinney
Wendell H. Hutchens
W. H. Bueermann
Albert L. Severeide

5607 *Delegates to Oregon State Medical Society*

Joseph M. Roberts
C. E. Warnell
Charles E. Gurney
Laurence Selling
Joe B. Davis
Charles W. Yost
Leon F. Ray
Darrel C. Bollam
Howard C. Emmerson

Blair Holcomb reported to the Council on the activities of the Multnomah County Health Council. He recommended that the Society continue to take active interest in the Health Council and pointed out the importance of such an organization in solving community health problems. Dr. Holcomb called attention to his resignation as Chairman of the Council and the necessity of selecting another representative of the Society as a replacement.

• • • • •

(Signed) FRANKLIN J. UNDERWOOD
Franklin J. Underwood
Secretary

Plaintiff's Exhibit 794

5608

MINUTES

Regular Monthly Meeting of the COUNCIL Multnomah County Medical Society

January 6, 1948

The meeting was called to order by President J. Milton Murphy. The following members were present: Drs. J. Milton Murphy, Hollenbeck, Dittebrandt, Adams, Bolton, Chuinard, Goodman, Meienberg, Underwood, Robert F. Miller, Keane, and Thayer. Also present were Drs. Swinney, McKirdie, Crynes, Leitch, Bridgeman and Rieke, and Messrs. Harvey, Kincaid, Foley and Miller.

* * * * *

Dr. R. H. Swinney, Chairman, Multnomah County Oregon Physicians' Service Supervisory Committee reported that the Oregon Physicians' Service Board of Directors had established a state-wide fee of $5.00 for the "first office visit" to be effective with the revised fee schedule. It was, also, reported that the committee advised the Oregon Physicians' Service Board of Directors it was in sympathy with the establishment of a logical control over unnecessary surgery but did not feel that a regulation reducing surgical fees 20 percent where pathological diagnosis did not support preoperative diagnosis was a proper method. Further study was recommended.

The Committee advised the Council that it was imperative that a ruling be given at the earliest possible date relative to the status of the two Northern Permanente Foundation salaried physicians who have applied for Oregon Physicians' Service staff membership. The two physicians in question are members of the Multnomah County Medical Society. The Council voted to withhold any action until the judicial counsel of the American Medical Association has published its decision in the case now pending.

In accordance with the Constitution and By-Laws of the Multnomah County Medical Society the Council elected the following members to serve on the Board of Censors for the year 1948:

E. G. Chuinard, Chairman
Wilbur M. Bolton
Leo J. Meienberg

5609 The following resolution was adopted by the Council:

RESOLUTION TO RECREATE GRIEVANCE COMMITTEE

BE IT RESOLVED by the Council of the Multnomah County Medical Society, that:

1. A special committee, called the Grievance committee, be and it is hereby created.
2. The members of the Committee shall be John C. Adams, Chairman; Wilmot C. Foster, and E. E. Gambee, provided, that, in the event any of the above-named members do not accept appointment, the President is hereby authorized to appoint another member to fill the vacancy.
3. The functions and duties of the committee be as follows:

   (a) Investigate any alleged unethical conduct of any member of the Multnomah County Medical Society coming to its attention in any way, or through any source;

   (b) Determine whether or not there is any foundation to the accusation of any such member of unethical conduct;

   (c) Make such reports to the Board of Censors and the Council on the result of such investigation as may be deemed best by such committee;

   (d) Make and file any written charges against any member of this Society as is called for by the by-laws, when the committee deems such a course advisable and justified;

   (e) Pursue any other course of conduct under the constitution and by-laws of this Society as it may deem advisable to the end that any report of unethical conduct on the part of any member be completely investigated and its truth or falsity established.

4. The term of this committee shall be to the first meeting of the Council following the 1948 annual meeting of the Society.

5. The Committee is hereby given the authority to employ such assistance as it may deem necessary for the full performance of its duties, to be paid for by the Society, but not to exceed the sum of $500.00 except upon authorization of the Council.

5610 The Council approved the standing and special committees appointed by the President. Also approved were the appointment of Society representatives on the board or directors of voluntary agencies. A copy of the committees and special appointments is attached hereto.

The Council also voted to assign two members as representatives to the Junior Chamber of Commerce.

The candidacy of Dr. F. H. Dammasch for State Legislature was endorsed.

A proposal to invite the American Medical Association to hold an Interim Session in Portland was approved.

A motion was made and duly passed to direct the Committee on Medical Education and Hospitals to investigate the possibility of obtaining more internes for Portland hospitals and make recommendations.

Dr. Matthew McKirdie, Chairman, Multnomah County Health Council, reported that the Council had planned to make an exhaustive study of the Portland School Health program and to present concrete recommendations. He said that a special committee of the Council would be appointed to recommend additional projects and that ways and means for financing the activities were being considered. Dr. McKirdie recommended that Dr. Franz R. Stenzel be appointed as the Society representative to replace Dr. Blair Holcomb. The appointment was approved.

The Council entertained a proposal to rescind an action of January 7, 1947 providing for a charge of $2.50 janitorial service to agencies and groups using the Society Auditorium in the Medical-Dental Building. Following the discussion it was voted to continue the practice.

A motion to hold a special meeting with the members of the Portland High School and Grade Teachers Associations

with arrangements to be made by the Society's Womans Auxiliary was approved.

There being no further business the meeting was adjourned.

(Signed) FRANKLIN J. UNDERWOOD
FRANKLIN J. UNDERWOOD
Secretary

Plaintiff's Exhibit 795

5611 MINUTES

Council of the
Multnomah County Medical Society
Regular Monthly Meeting
February 17, 1948

The meeting was called to order by President J. Milton Murphy. The following members were present: Drs. Murphy, Underwood, Dittegrandt, Buckley, Chuinard, Trommald, Goodman, Stearns, Bolton, Adams, Thayer and Montgomery.

Also present were Drs. Lamb, Bridgeman, Swinney, Warren C. Hunter and Rieke, and Messrs, Harvey, Hammond, Kincaid, Foley and Miller.

The minutes of the January meeting were read and approved without correction.

• • • • •

A letter from Dr. Ray W. Hausler, requesting reinstatement to membership in the Society, was read. A motion was made by Dr. Buckley and seconded by Dr. Chuinard that Dr. Hausler be reinstated. The motion failed to pass, the members voting as follows: Ayes: none; Nays: Underwood, Dittebrandt, Thayer, Trommald, Goodman, Bolton, Adams, Stearns, Montgomery; not voting; Buckley, Chuinard.

• • • • •

5612 The report of the Oregon Physicians' Service Supervisory Committee was presented by R. H. Swinney. The report was accepted.

E. G. Chuinard reported that the Board of Censors recommended the following applicants for membership in the Society:

Active Members

Davis, Will Charles .....628 Medical Dental Building
Gillespie, Stanard Ricketts ....1111 Selling Building
Guiss, John McKinney .....340 Medical Arts Building
Heitmeyer, Powis Lee .....318 Mayer Building
Jackson, Ivan Charles .....923 S. E. 37th Avenue
Lloyd, Chester Stanley .....3709 S. E. Hawthorne Blvd.
Martinson, Lee Fred .....1111 Selling Building
Nitschke, Paul Herman .....919 S. W. Taylor

Associate Members

Anderson, Robert Francis ....2835 N. E. 29th Ave.
Campbell, Ivor MacIvor .....Veterans' Administration
Morrison, Carl Vincent .....922 SW 17th Ave.
Vest, Maurice Daniel .....1022 S. W. 11th Avenue
Voth, Irvin George .....3121 N. Vancouver Ave.

Junior Members

Bennett, Woodson .....4207 N. E. Flanders
Frayser, Lois .....406 Medical Dental Building
Hiestand, Harley Burmond ..2455 N. W. Marshall St.
Hardwick, Clifford Emerson ..816 Medical Dental Building
Hardy, Samuel Isaac .....1735 N. Wheeler
Shrapnel, Bliss Calcliffe .....27 N. Killingsworth St.
Wagner, Clifford Merlin .....610 Standard Insurance Bldg.

The recommendations were approved and a motion was made and duly passed to submit the names to the Society for election.

Dr. Adams reported that the Grievance Committee had held an informal meeting with certain members connected with the medical care program carried on by Portland Aerie No. 4 of the Fraternal Order of Eagles. The Committee, he said, concluded that certain features of this program were in contravention of the Principles of Medical Ethics, and had so advised the Chief Aerie Physician. The Chief Aerie Physician was given a limited time to make the adjustments which are necessary.

Dr. Adams also advised that all member physicians had been sent a letter requesting information relative to the extent of their participation in relating practice carried on by optical companies.

The report was accepted with commendation.

• • • • •

5613 (Signed) FRANKLIN J. UNDERWOOD
Franklin J. Underwood, Secretary

Plaintiff's Exhibit 796

5614 **MINUTES**

Council of the
Multnomah County Medical Society
Regular Monthly Meeting
March 2, 1948

The meeting was called to order by President J. Milton Murphy. Those present were Drs. Murphy, Underwood, Dittebrandt, Meienberg, Bolton, Irvine, Chuinard, Adams, Hollenbeck, Trommald, and Miller. Also present were Drs. McKirdie and Swinney and Mr. Kincaid.

The minutes of the February meeting were read and approved without correction.

• • • • •

The Council considered the matter of sending a delegate to the Northwest Region Conference of the Council on Industrial Health and the Council on Medical Care of the American Medical Association to be held in Spokane, Washington on March 20 and 21. It was voted to send Roscoe K. Miller, Associate Executive Secretary as official representative.

R. H. Swinney, Chairman, Supervisory Committee of the Oregon Physicians' Service, reported on the meeting of the physicians in the Portland Northeast District sponsored by the Portland Office of the Oregon Physicians' Service, and explained briefly the factors involved in setting up the new Reserve requirements which will be reported more completely at a later date.

5615 • • • • •

John C. Adams, Chairman of the Grievance Committee reported that letters had been received from certain members of the Society requesting information relative to rebates from optical companies. Dr. Adams advised that replies had been received from most physicians and that most had not been participating in the rebating practice. This was accepted as a progress report.

• • • • •

Respectfully submitted

(Signed) FRANKLIN J. UNDERWOOD
Franklin J. Underwood
Secretary

Plaintiff's Exhibit 797

5616 **MINUTES**

Council of the
Multnomah County Medical Society
Regular Monthly Meeting
April 6, 1948

The meeting was called to order by President J. Milton Murphy. Those present were Drs. Murphy, Underwood, Bolton, Irvine, Dittebrandt, Buckley, Montgomery, Goodman, Miller, Trommald, Chuinard, Meienberg, Hollenbeck and Keane. Also present were Drs. Swinney, Rush, Leitch, McKirdie, Rieke, Paquet, Rowland, Shrapnel, Kaplan, Hardwick, Shasky and Imboden.

The minutes of the March meeting were read and approved.

The following correspondence was read:

1. A letter from Dr. Harold R. Hennessy, Council on Industrial Health, American Medical Association expressing appreciation for the Societies efforts in arranging meetings for his Portland visit.

2. A copy of the Portland Chamber of Commerce's letter of appreciation to Dr. Rutherford T. Johnstone, Los Angeles, who addressed the Members Forum on Industrial Health on March 22, 1948.

• • • • •

5617 A motion was also made and duly passed that the Society should not endorse any candidate for governor of Oregon at this time.

Dr. E. G. Chuinard presented the recommendations of the Board of Censors for membership in the Society. The following names were approved for election:

Junior Membership

Russell John Alleman
Ralph Emerson Hibbs
Edward Karl Kloos
Alice R. Kulasavage
Richard J. Kulasavage
George Milton Robins

The Council also approved Life Membership for Palmer.

Matthew McKirdie, Chairman, Multnomah County Health Council, discussed the Council's activities and requested

approval of its recommendations concerning the School Dental Health program. Approval was voted.

Dr. R. H. Swinney, Chairman, O.P.S. Supervisory Committee reported that the O.P.S. Board of Directors had been requested to give serious consideration to increasing employee group subscriber fee to meet the anticipated increase in hospital ward rates. And that Drs. Robert L. Benson and Frank Perlman were approved as consulting specialists in allergy.

• • • • •

5618 • • • • •

Respectfully submitted

(Signed) FRANKLIN J. UNDERWOOD
Franklin J. Underwood
Secretary

Plaintiff's Exhibit 798

5619 SABIN WITHDRAWS FROM MEDIC UNIT

Dr. C. G. Sabin resigned last night as a member of the *Multnomah County Medical society,* because, he said in statements sent to Dr. Banner Brooke, president, and Dr. John C. Adams, secretary, his views and those of directors of the society on "prepaid" medicine are at variance.

"I not only believe the public policy of the state of Oregon in bringing medical care within the financial reach of industrial workers to be sound, but also I believe utterly unfair the methods of the medical society in attacking this public policy," Dr. Sabin explained in an interview.

"If hospital associations under state regulation are improper, they should be attacked directly.

"To undertake to destroy institutions recognized and approved by state law through the indirect method of unwarranted attacks upon reputable physicians who care for patients sent to them by these hospital associations, or physicians who are interested in maintaining this aid to our industrial workers, cannot merit my approval."

Resignation Note Given

Dr. Sabin's notice of resignation directed to the Multnomah County Medical society follows:

Gentlemen:

There is a fundamental difference in your conception, as indicated by the council of the society, and my conception of the duties which physicians and surgeons owe to the public. A considerable portion of the people of our state can have necessary and proper medical care and hospitalization only through so-called "prepaid medicine," accomplished by small monthly payments to a responsible organization, which undertakes to furnish care as needed for the sick and injured. In recognition of this condition and necessity, the state of Oregon adopted a public policy of encouraging such service to those who could not otherwise enjoy proper care when the legislature of this state enacted a law providing for hospital associations under state regulation (Laws of Oregon 1917, chapter 173; Oregon Code Annotated, volume 3, section 46-901, et seq.)

I believe this is sound public policy. I believe a method of bringing medical and hospital care within the reach of large groups of workers in our industrial plants is essential to society and to the industrial development of our state.

During the years a number of hospital associations have been created under said state law, and operate under state supervision, which have made competent medical and hospital care for our great industrial groups economically possible. These associations, in many instances, represent a considerable financial investment.

You have not attempted to subvert the declared public policy of the state of Oregon by assailing physicians and surgeons who care for patients sent to them by such hospital associations. Your obvious purpose is to destroy the hospital associations by denying them the services of competent physicians and surgeons. No substitute service is offered by you.

As a matter of principle, I differ with you. I can not admit that the sound public policy of the state of Oregon should be defeated in this manner. Therefore, I resign from the Multnomah County Medical society, effective immediately.

Very truly yours,

C. G. Sabin

(The rest of this exhibit consists of newspaper accounts of the death of Dr. Charles G. Sabin, President of National Hospital Association, in an automobile accident in December 1948. One account is highly laudatory of Dr. Sabin as a doctor and as a person.)

Plaintiff's Exhibit 799

5682

ROY A. PAYNE, M. D.
PHYSICIAN AND SURGEON
SUITE 509 STUDIO BUILDING
PORTLAND, OREGON

December 5, 1939

The Multnomah County Medical Society
Portland, Oregon

Dear Sirs:

Your Committee on Plans for Medical Care of the Low Wage Group, has been a functioning body. The Committee has met often and labored long and while their results have been disappointing in many instances we are hoping at least that no serious mistakes have been made. The work of the Committee has been chiefly concerned with two main divisions, first affecting the Multnomah Medical Service Bureau and second in relation to the variously Lay Owned Hospital Associations. In regard to the Multnomah the greatest point of work has been the attempt to bring about a settlement of the dispute between some of the officials of the Multnomah and the organized druggist group. In the second place rather numerous matters of minor importance have been brought up to the Committee by different officials of the Multnomah Medical Service Bureau. These latter have been dwelt with to the best of our ability. The matter of handling the negotiations and attempting to bring about the settlement of the dispute between the Multnomah and the Druggist Association has been placed in the hands of Dr. Noble Wiley Jones. We wish at this time to compliment Dr. Jones in his handling of the situation. With no real power to force through any meeting or any program in a position where even suggesting a policy to either party was practically forbidden due to the possibility of legal complications, still Dr. Jones was able to bring about a continuation of the meeting which finally led to a solution, temporary at least, of this extremely irritating problem.

In the settlement of this problem also, we wish to compliment the officials of the Multnomah Medical Service Bureau for their broadness of view and there willingness to accept and agree to proposals, which in our opinion were unfair. We cannot but question that some of the onus for the starting of this warfare must be born by officials of the Company. Yet, in the final analysis, their practical sur-

render to terms that were in our opinion unfair and arbitrary, showed a willingness to cooperate with the Society in general and to sacrifice their personal feelings in order that this unfortunate and damaging controversy could be disposed of at the time when it was becoming so embarrassing to the entire Society.

5683 Matters with respect to the Lay Owned Hospital Association have chiefly been concerned with two aspects of the Situation. The Industrial Hospital Association through Dr. Moore have been conducting a campaign to determine once and for all whether or not there is any opportunity of their becoming eligible for approval by the Society. The main difficulty here has been to avoid legal entanglements while maintaining the attitude virtually dictated by the Board of Censors at the time when these officials were forced out of the Society. Namely, that once this exclusion was accomplished it became the duty of the organization so excluded to furnish proof that they were not only willing but already had instituted steps to remedy the abuses for which they had been excluded and to make their organization eligible for approval. Dr. Moore persists in the attitude that the Society must point out the individual steps that are necessary for approval. Dr. Weston on the other hand is chiefly interested in the question of Health and Accident Insurance and whether or not that could be approved by the Society.

We will hope that the discussion in the Council today will render us better able to meet Mr. Weston and discuss this problem.

Respectfully submitted,

(Signed) Roy A. Payne
Dr. Roy A. Payne
Chairman

Dr. N. W. Jones
Dr. Dean B. Seabrook
Committee

Plaintiff's Exhibit 800

5684 BULLETIN OF THE MULTNOMAH COUNTY MEDICAL SOCIETY

Volume 5 Number 3

PORTLAND, OREGON

REGULAR MEETING

February 5, 1941

AUDITORIUM
MEDICAL DENTAL BUILDING

8 P. M.

EYE EAR NOSE AND THROAT PROGRAM

MEDICAL LEGISLATION

COUNCIL MEETING

MALLORY HOTEL
12:15 P.M.
February 4, 1941

FEBRUARY 1, 1941

5685 BULLETIN OF THE MULTNOMAH COUNTY MEDICAL SOCIETY

Published on the first and fifteenth of each month during the active sessions of the society

EDITORIAL OFFICE ..... Medical Dental Building, Portland, Oregon

CHARLES P. WILSON, M.D., Editor

BUSINESS OFFICE ..... LAncaster 1700, 1602 S. E. Division Street, Portland, Oregon

Authorized by the Council of the Multnomah County Medical Society and published under the auspices of the Publicity Committee

---

PROGRAM

February 5, 1941

8:00 p.m.

AUDITORIUM
MEDICAL DENTAL BUILDING

SPONSORED BY THE OREGON ACADEMY OF OPHTHALMOLOGY AND OTOLARYNGOLOGY

THE HARD OF HEARING CHILD..... Wilson Johnston, M.D.

EARLY DIAGNOSIS OF BRONCHIAL FOREIGN BODY.....Paul Bailey, M.D.

THE GLAUCOMA PROBLEM.....Frederick Kiehle, M.D.

5686

THE SERVICE BUREAU RESPONSIBILITY

The once popular pastime of anonymously using the columns of the official Bulletin of the Medical Society for the purpose of denouncing or moralizing upon the actions or policies of the Multnomah Medical Service Bureau should be frowned upon as an antiquated procedure.

Coincident with the approval of the Bureau by the Medical Society, responsibility for the Bureau policies and activities has been delegated to the Board of Directors of the Bureau. (all of whom are members of the Multnomah County Medical Society in good standing and appointed for their positions).

The Board of Directors of the Multnomah Medical Service Bureau are cognizant of their responsibility to the Medical Society and to their own members, and they take this opportunity of inviting any member of the County Medical Society (whether member or non-member of the Bureau), who feels the urge to condemn or commend any policy or course of action which the Bureau has adopted, or seemingly adopted, to appear as a guest at any regular monthly meeting, in person, and present their grievances, recommendations or commendations, and they will be as-

sured courteous and sympathetic consideration. The good American custom of free debate will prevail, giving equal hearing to both sides of the question.

This method of presenting and meeting issues appeals to our Board as a more dignified and democratic method, less likely to produce misunderstanding and more conducive to harmony between the Bureau and the Medical Society.

The fundamental economic factors underlying the founding of the Bureau are as true today as in 1932. The kinetic forces of economic and social change will affect the pattern of medical practice as it has that of business and industry. John Stuart Mills, the great economist, recognized this important trend when he stated: "History shows that great economic and social forces flow like a tide over communities only half conscious of that which is befalling them. Wise men foresee what time is thus bringing them and try to shape institutions and mold their thoughts in accordance with the change that is silently coming on. The unwise are those who bring nothing constructive to the process and who greatly imperil the future of mankind by leaving great questions to be fought out between ignorant change on one hand and ignorant opposition to change on the other."

Politicalized medicine's advocates are only awaiting the schism which they hope will develop between those who desire an unchanged private practice of medicine on one hand and those who believe that a voluntary pre-payment medical plan will and can work if the medical profession will unite their efforts and show a united front to the forces of "ignorant change."

Signed:

W. H. Bueermann
John Besson
H. B. Moore
E. E. Gambee
S. E. Rees
Executive Committee

MULTNOMAH MEDICAL SERVICE BUREAU

• • • • • •

Plaintiff's Exhibit 801

5688 THIS MEMORANDUM OF UNDERSTANDING made and entered into as of the 7th day of July, 1942, between OREGON PHYSICIANS' SERVICE, an Oregon corporation, hereinafter referred to as O.P.S., and the COUNCIL OF THE MULTNOMAH COUNTY MEDICAL SOCIETY, hereinafter referred to as the Council, WITNESSETH:

1. That O.P.S., acting with the authorization of the Council through a supervisory committee appointed by the President of the Multnomah County Medical Society, with the approval of the Council, is hereby empowered to enter into contracts with such industrial and other organizations, associations and corporations in Multnomah County, in the State of Oregon, as are specifically designated by the Council through this supervisory committee for the furnishing to the persons covered under such contracts, of medical and surgical services, hospital accommodations and services, dental and other benefits as contemplated by the corporate powers of O.P.S. and defined in the contracts which it may enter into.

2. That O.P.S. agrees that medical and surgical services to be rendered under such contracts shall be supplied solely by duly licensed physicians and surgeons who are eligible to membership in the Oregon State Medical Society.

3. That the Council agrees to authorize the President of the Multnomah County Medical Society to appoint, with its approval, a supervisory committee of five members to represent the Council and to act under the direction of the Council in establishing policies with respect to the services contracted for or to be contracted for by O.P.S. in Multnomah County and to direct this supervisory committee to present to the Council a written report each month concerning the activities of O.P.S. in Multnomah County, a copy of all such monthly reports to be kept on file in the office of the Society. It is understood that the terms of office of the members of this committee shall be fixed by the Council and that the personnel of this committee may be changed by the Council at any time.

4. That O.P.S. agrees that payments for the services of physicians and surgeons who are eligible to render and who have agreed to render to persons requiring treatment under O.P.S. contracts shall be made according to the

schedule or schedules which shall be agreed upon from time to time by and between the Council through its supervisory committee and the Board of Directors of O.P.S. Such payments for services shall be made only after charges for corporate, acquisition and administrative expenses, as hereinafter specified, first aid stations and personnel as may be required in the rendering of services to contracted parties, hospital services, medical and surgical ser-
5689 vices in emergencies or for patients referred to physicians located outside of Multnomah County, stipulated medicines and drugs, ambulance service and all other services specified in O.P.S. contracts, have been paid in full.

5. That, the management of O.P.S., acting under the supervision of the supervisory committee representing the Council, shall have charge of all administrative and acquisition activities in connection with contracts authorized by the supervisory committee.

6. It is understood that all money received by O.P.S. under contracts in Multnomah County authorized by the Council through its supervisory committee, except the charges of O.P.S. for the maintaining of licenses, professional liability insurance and indemnity bonds, and for administration and acquisition, and except such reasonable sums as shall be agreed upon by the Council through its supervisory committee and the Board of Directors of O.P.S. to be set aside as operating reserves, contingency reserves for estimated future liabilities, and for charitable purposes, is to be used to render services to the persons covered under such contracts.

7. It is particularly understood and agreed that the accounts of O.P.S. relative to its contracts in Multnomah County, authorized by the Council through its supervisory committee, shall be kept separate and distinct from all of its other income and that no part of the income from such contracts of O.P.S. shall be applied to the payment of any expenses of administration or acquisition relative to any other contracts held by O.P.S., or be diverted to the payment of bills for stipulated medicines, hospital accommodations and service, or dentists', physicians' or surgeons' fees relative to contracts held by O.P.S. in any other section of the State of Oregon or elsewhere.

8. This MEMORANDUM OF UNDERSTANDING shall apply to all contracts held by O.P.S. in Multnomah County after the effective date of this memorandum.

9. This MEMORANDUM OF UNDERSTANDING may be terminated by either party hereto effective the thirty-first day of December of any year subsequent to the effective date of this memorandum by the giving of written notice of such termination to the other party at least ninety (90) days prior to such termination date. In the event of such termination, the part of the second part nevertheless agrees to recommend to the physicians and surgeons who have agreed to render services under the contracts of O.P.S. in Multnomah County to continue to render services in accordance with this memorandum until such time as all contractual obligations of O.P.S. in Multnomah County have expired.

Plaintiff's Exhibit 802

5691

MULTNOMAH COUNTY
MEDICAL SOCIETY BULLETIN

VOL. 10 NUMBER 6

REGULAR MONTHLY MEETING

Wednesday, February 6, 1946, 8:00 P.M.
Auditorium of the Medical-Dental Building

PROGRAM

"A Critical Analysis of Wagner-Murray-Dingell Bill and Other Pertinent Bills Before Congress"..... EDW. H. MCLEAN, M.D.

Plans for Organization and Education Regarding National Medical Legislation."..... ROBERT L. BENSON, M.D.

SEE ARTICLE ON
A.M.A. HOUSE OF DELEGATES
ACTION ON PREPAID MEDICAL CARE
IN THIS ISSUE

[Page 3]

COUNCIL MEETING

Auditorium of the Medical Dental Building
Tuesday, February 5, 1946, 8:00 P.M.

JANUARY 15, 1946

Plaintiff's Exhibit 803

5696

MULTNOMAH COUNTY MEDICAL SOCIETY BULLETIN

VOL. 10 NUMBER 10

REGULAR MONTHLY MEETING

Wednesday, April 3, 1946, 8:00 P.M.
Auditorium of The Medical-Dental Building

PROGRAM

PHYSIOLOGY APPLIED TO MODERN SURGERY

Speakers:

JOSEPH W. NADAL.....Postoperative Salt Intolerance
JOHN M. GUISS.....Fluid Therapy in Burns
ALLEN M. BOYDEN.....
Abdominal Incisions and Early Ambulation
WILLIAM S. CONKLIN.....
Postoperative Pulmonary Complications

—

COUNCIL MEETINGS

Tuesday, April 2, 1946—8:00 P.M.

Auditorium of The Medical-Dental Building

—

MARCH 15, 1946

5697

BULLETIN OF THE MULTNOMAH COUNTY MEDICAL SOCIETY

Published on the first and fifteenth of each month during the active sessions of the society.

EDITORIAL OFFICE ..... Medical Dental Building, Portland 5, Oregon

BUSINESS OFFICE ..... LAncaster 1700, 1602 S. E. Division Street, Portland 2, Oregon

Authorized by the Council of the Multnomah County Medical Society and published under the auspices of the Committee on Public Relations.

Forrest E. Rieke, Chairman
S. G. Henricke
Raymond Mangels
Donald Forster
Gordon Leitch
Gordon Prewitt

BULLETIN TO WIDER AUDIENCE

With this issue The Bulletin of The Multnomah County Medical Society will be sent to a larger mailing list. Among those added are physicians of the State of Oregon, those of neighboring counties in Washington, hospital house staffs and medical students at the University Medical School. This courtesy is being temporarily undertaken to advise a wider group of approaching meetings of general interest and to restore in a measure mutual acquaintanceship with fellow practitioners. The latter very important phase of the profession's life has suffered badly from five war years and deserves careful cultivation for a time to speed our societies to their normal peace-time status of unity and cooperation.

• • • • •

Plaintiff's Exhibit 804

5698

THE BULLETIN
of the MULTNOMAH COUNTY
MEDICAL SOCIETY

VOL. 10 December 1, 1946 NO. 25

COMING MEETINGS

DECEMBER 3—8:00 P.M., COUNCIL MEETING

Medical Dental Building Auditorium

DECEMBER 4—8:00 P.M., SOCIETY MEETING

Medical Dental Building Auditorium

[Scientific program to be announced later. Nominating committee selections will be read and floor nominations made.]

DECEMBER 18—6:30 P.M., ANNUAL MEETING
Dinner at Benson Hotel Crystal Room

—

DECEMBER 1, 1946

5699 THE BULLETIN OF THE MULTNOMAH COUNTY MEDICAL SOCIETY

VOL. 10 PORTLAND, OREGON NO. 25

O.P.S. SURVEY CONTINUES WITH SUB-COMMITTEES STUDYING ALL PHASES OF OPERATION

In preparation now are the detailed reports and recommendations of subcommittees of the special Society committee appointed to survey all phases of O.P.S. operations in Multnomah county.

Determined to find and correct the causes of high operating costs of the Society-sponsored prepaid medical care plan in Multnomah county, the master committee headed by Dr. Eugene Owen is approaching the matter seriously and thoroughly and is now awaiting the findings of subcommittees.

The study is organized as follows:

(1) *Administration—Costs and Management.* A subcommittee composed of Drs. Max Simon, Courtland L. Booth and W. H. Bueermann is studying costs of O.P.S. administration, efficiency and quality of management, and the advisability of engaging a medical director.

(2) *Subscriber Income Levels.* Drs. J. E. Buckley, L. R. Chauncey, and Bruce L. Titus are studying this broad problem, which includes the matter of whether to limit service to low income groups and at what level the limit should be placed.

(3) *Hospitalization.* A sub-committee composed of Drs. Raymond W. Mangels, C. H. Manlove, and H. Minor Nichols is studying all the problems relating to hospital coverage under the O.P.S. contract. A serious consideration in view of increased hospital cost, this entails the question of whether to divorce hospitalization from the contract or to continue it on the present or a more limited

basis, the matter of an affiliation with Blue Cross, and the possibility of building or assuming control of a hospital.

(4) *Type of O.P.S. Contract.* This consideration includes all features of the present contracts, the coverage, costs involved, and the competitive problems of contract selling. The sub-committee studying these phases is composed of Drs. Oliver M. Nisbet and James W. Wiley.

After all reports of the sub-committees are considered by the master committee, that group will report to the stockholders of the Oregon Physicians' Service who may either accept or reject the report and recommendations. In either case, the report will then be presented to the Council of the Multnomah County Medical Society.

PROGRAM
REGULAR SOCIETY MEETING

Wednesday, December 4, 8:00 P.M.

Auditorium of the Medical Dental Building

A very interesting program has been arranged on the subject of the Society-sponsored

MULTNOMAH COUNTY HEALTH COUNCIL

It is the responsibility of every Society member to know of the work of this organization and to contribute to its success.

Speakers on the subject are:

DR. BLAIR HOLCOMB, Chairman of the Council
DR. MATTHEW McKIRDIE, Council Member

5700 *Important Elections on December Schedule*

With the Council's nominating committee now burning the candle low and doing more than its bit to boost java sales in an effort to present the best possible slate of officers to guide the Society through 1947, The Bulletin here outlines the nominating and voting procedure for the benefit of new members, as well as older ones with shorter memories.

The nominating committee presents its nominations to the Council at the December meeting (Dec. 3) for approval. The nominations are then announced before the next full Society meeting (Dec. 4). At this meeting additional nominations may be made from the floor by Society members.

Election is at the Annual Meeting, which is scheduled for December 18, 6:30 P.M., at the Benson hotel. No additional nominations may be made at this meeting.

The nominating committee—composed of Drs. Matthew Riddle, Harry Irvine, and President-Elect Willard B. Hollenbeck—will present nominations for president-elect, vice-president, secretary, treasurer, six councilors for two-year terms, and 18 delegates to the House of the Oregon State Medical Society.

Officers urge all Society members to attend these next very important meetings and have a voice in the selection of the 1947 leaders.

Additional information will be sent members from Society headquarters concerning the program and reservations for the Annual Dinner Meeting, December 18.

Annual Dinner of Portland Academy of Medicine, Dec. 11

The annual dinner and business meeting of the Portland Academy of Medicine will be held Tuesday, December 11, at 6:30 P.M., in the Gold Room of the University club, according to Dr. Matthew Riddle, secretary and program chairman.

Included on the program will be remarks of the president, Dr. Lyle B. Kingery, reports of officers and committees, and the election of officers for the following year.

• • • • •

Plaintiff's Exhibit 805

5701

THE BULLETIN

MULTNOMAH COUNTY MEDICAL SOCIETY

JULY 1947

5702

THE BULLETIN

MULTNOMAH COUNTY MEDICAL SOCIETY

VOL. II PORTLAND, OREGON NO. 7

M.C.M.S. Council Approves, with Provisions, Extension of O.P.S. Coverage

At its June 25th meeting, the Council of the Multnomah County Medical Society approved, with a few provisions, the recommendations of the board of directors of the Oregon Physicians' Service for extension of the coverage. The recommendations, previously adopted by the House of Delegates of the Oregon State Medical Society at the mid-year meeting, include small industrial group employe and family coverage, rural family coverage, and individual coverage.

Willard Marshall, manager of the Oregon Physicians' Service, stated that 60 to 90 days would be required to set up the administration of some of the new types of contracts, the time variable depending on the particular plan concerned.

Below follow the original recommendations as adopted by the House of Delegates, and then in bold face type the action of the Council of the M.C.M.S.:

SMALL INDUSTRIAL GROUP EMPLOYE AND FAMILY COVERAGE

Recommendations of Board of Directors:

That Oregon Physicians' Service be authorized to offer full coverage employe group medical and hospital service to employed groups containing from four to ten participants each, with benefits and rates to be the same as those provided for standard employe group contracts, excepting that all such contracts for small groups shall stipulate one hundred per cent participation and also the salary deduction method for collection of monthly dues; and to offer supplemental family coverage, with standard benefits, rates and percentage requirements to these groups.

M.C.M.S. Council Action:

That the recommendation concerning coverage for small groups and their families be adopted in Multnomah County in the form approved by the House of Delegates.

RURAL FAMILY COVERAGE

Recommendations of Board of Directors:

That Oregon Physicians' Service be authorized to offer to responsible, established rural groups a plan whereby standard full coverage medical and hospital coverage is provided for heads of families and standard surgical and hospital coverage contracts or standard hospitalization contracts are provided to participating family members;

the benefits and rates applicable to these rural group contracts to be the same as those currently effective for industrial employe groups and supplemental family coverage contracts; a registration fee of $1.00 for each family to be charged and quarterly payments to be required.

M.C.M.S. Council Action:

That the recommendation concerning the offering of coverage to "employed individuals" and their families be adopted for Multnomah County as approved by the House of Delegates but with the following provisions; (1) that this type of coverage not be offered to any individual or family having a net taxable income of more than $6,000 per year; and (2) that cost accounting controls be maintained on this type of coverage and that premium rates be adjusted from year to year on an experience basis.

5703

INDIVIDUAL COVERAGE

Recommendations of Board of Directors:

That Oregon Physicians' Service be authorized to offer medical and hospital coverage to employed individuals at the premium rate of $3.50 per month, with advance quarterly payment requirements, an initial registration fee of $1.00 to be required for each individual subscriber; benefits under this proposed contract to be the same as those furnished under the standard employe group full coverage contract excepting for the following changes: the first call by the physician in each case to be the liability of the patient; hospitalization for each case to be limited to sixty days for which Oregon Physicians' Service shall defray one-half of the cost; no dental services to be furnished; and to offer supplemental family coverage at the standard level of rates and benefits to such employed individuals, an initial registration fee of $ .50 to be charged for each participating family member.

That Oregon Physicians' Service be authorized to offer contracts for surgical and hospital coverage on a standard benefit basis to individuals at the rate of $2.25 per month, with advance quarterly dues payments and with a $1.00 registration fee for each such individual; head-of-family individuals to have the privilege of extending the benefits of the surgical and hospital coverage contract to their families, with standard rates and benefits, and with a registration fee of $ .50 for each additional family member.

M.C.M.S. Council Action:

That the recommendation concerning the offering of O.P.S. coverage to "rural groups" be adopted as approved by the House of Delegates.

Although not specifically included in the recommendations referred to it for study the Council approved the proposed change in the existing O.P.S. "Family Coverage" whereby physicians' service would be provided for medical cases requiring hospitalization. The Council also recommends to the O.P.S. Board of Directors that "Family Coverage" plan be amended to include doctor and hospital services for out-patient treatment when required for other than diagnostic purposes only.

• • • • •

Plaintiff's Exhibit 806

5704

BULLETIN OF THE
MULTNOMAH COUNTY
MEDICAL SOCIETY

Volume 9 Number 2

PORTLAND, OREGON

REGULAR MEETING

MULTNOMAH COUNTY
MEDICAL SOCIETY

January 17, 1945

Program, Page 3

—

A NEW HOSPITAL ASSOCIATION

Page 4

—

OFFICERS COUNCILLORS and DELEGATES
for 1945

Pages 6 and 7

—

JANUARY 15, 1945

5705 BULLETIN OF THE MULTNOMAH COUNTY MEDICAL SOCIETY

Published on the first and fifteenth of each month during the active sessions of the society.

EDITORIAL OFFICE ..... Medical Dental Building, Portland (5), Oregon

BUSINESS OFFICE ..... LAncaster 1700, 1602 S. E. Division Street, Portland (2), Oregon

Authorized by the Council of the Multnomah County Medical Society and published under the auspices of the Publicity Committee

---

MULTNOMAH COUNTY MEDICAL SOCIETY REGULAR MEETING

JANUARY 17, 1945

Auditorium Medical Dental Building
8:00 P.M.

PROGRAM

"RHEUMATOID ARTHRITIS— A DISCUSSION OF PRESENT DAY MANAGEMENT"

By FRANK BAKER SMITH, M.D., McGILL, 1937
House Physician, Fourth Medical Division, Belleview Hospital Fellowship, Orthopedic Surgery, Mayo Clinic Arthritis Clinic, Mayo Clinic

• • • • •

5706 NEW HOSPITAL ASSOCIATION FORMED*

Society members probably are wondering, even as I am, what prompted the formation of the Telephone Employees Hospital Association. As far as I can learn, they wanted to form their own hospital association, which is their legal right. They feel that they can operate their association at a lower monthly premium than O. P. S. does.

---

* The statements made and opinions given are the responsibility of the writer, and in no way constitute the opinion of the Council of the Multnomah County Medical Society.

Likewise Society members probably are wondering what action the Multnomah County Medical Society is going to take in this matter. It is my opinion that the County Society is not going to take any action for two reasons. First, this is a state-wide organization and any consideration of this association is the obligation of the Oregon State Medical Society. The Council of the State Society has been studying the plan, as far as any plan is available to it, and we can expect some comment from that source in due time. Second, the County Council was not asked for any opinion and no plan was submitted to it for approval.

Did you sign up? Did you give your O.K. to something you don't know anything about? Remember this is only a new start on hospital association problems. It is best that we all wait for the expected report from the Council of the Oregon State Medical Society in regard to this present association and to the studied reports from proper sources in regard to other associations that are bound to be formed. Some of these may be approved and some may not, but, at least, let's wait until we know what we are approving.

Signed: Charles P. Wilson

5707 COMMITTEES

Board of Censors:

Charles E. Sears, Chairman
Charles P. Wilson
Harry S. Irvine

Grievance Committee:

Stanley Lamb, Chairman
Birchard A. Van Loan
William H. Thayer

Advisory Committee to Oregon Physicians' Service:

R. Lloyd Tegart, Chairman
C. Elmer Carlson
William A. Shea
Charles P. Wilson
Ira E. Gaston

MEETING NOTICE

Through the courtesy of the Portland District Dental Society our members are cordially invited to hear Captain G. W. Willett, DC, USN, Chief of Dental Service; Lieu-

tenant Commander A. E. Pound, DC, USNR, and Lieutenant Commander M. M. Gurdin, MC, USNR, of the U. S. Naval Hospital, Oakland, on

"PROSTHODONTIA AND PLASTIC SURGERY IN REPAIR OF WAR INJURIES"

Tuesday, January 16, 8:00 P.M.

Auditorium of the Medical-Dental Building

Dr. Gurdin is a member of the plastic surgery staff at the Oakland Hospital and his part of the program will be of particular interest to our membership. The entire program demonstrates the need for cooperation between the specialties of prosthodontia, oral surgery, and plastic surgery. This presentation will include colored motion pictures and lantern slides illustrating the work in these fields at the Oakland Hospital.

Plaintiff's Exhibit 807

5709

STATE SECTIONS
OREGON STATE MEDICAL SOCIETY

(Emblem)

ANNUAL MEETING PORTLAND, 1947

Opinions, Views or Comments presented in articles appearing in this section are those of the individual authors and are not necessarily those of Oregon State Medical Society.

REQUIRED READING

In the current session of the Oregon legislature there have been introduced in the Senate two bills which every doctor who practices medicine in Oregon should know thoroughly. For his future in medical practice may, literally, be at stake.

By the time this appears in print the decision will have already have been made for us, so to furnish details at this time is pointless.

If the measure is passed, the bad news that *all* physicians and surgeons throughout the state may no longer have the choice in saying with whom they will enter the contractual relationship of their calling will already have travelled far and fast.

If not passed, there will be ample time in which to furnish details and to realize the closeness of escape from private bondage, and to store up long memories against the repetition of any such attempts in the future.

Win or lose, Senate bills 356 and 427 (substituted for 356 by the judiciary committee) are required reading for every doctor in Oregon. Either he must know the new rules for serving a new master, or he can enjoy the doubtful pleasure of having his hair stand on end at the closeness of his escape.

PRIVATE HOSPITAL ASSOCIATION IN SINGLE INDUSTRY POSES RISING THREAT

Doctors throughout the state, who from time to time express some concern as to where O.P.S. is headed, could profitably devote a little fundamental thinking to the possibilities presented in the operation of privately owned commercial hospital associations confined to a single industry. This restriction to a single industry is the something almost new which has been added to the Oregon hospital association picture and which can stand some examination.

There recently came to the editorial desk an attractive leaflet of the Telephone Employees' Hospital Association of Oregon, Inc. This states the organization is a nonprofit one *organized and operated* by employees of The Pacific Telephone and Telegraph Company and affiliated companies in the state of Oregon. It has no paid officers (all officers are fellow employees elected by the members) and is "operating under the Oregon State Insurance and Corporation Laws."

Certain other extracts from the statements contained in the attractive two-page leaflet are pertinent to the discussion, as follows:

"For a modest fee ($2.50 is the figure given later as covering the monthly dues—Ed.), *usually paid by payroll deduction*, employees . . . residing in the State of Oregon can obtain medical and hospital services. All employees, supervisory and nonsupervisory, are eligible after being employed 30 days.

"Member's Choice of Licensed Physicians and Registered Hospitals, as licensed and registered by the Oregon State Medical Board.

"Medicine. All necessary medicines are prescribed by the attending physician or surgeon.

"We prefer that monthly premiums be paid through the *Company's payroll deduction plan* (Italics ours—Ed.), but it is not required."

One analyst, to whom the literature was presented, offered the following comment: "A neat job of selling a package to both employees and doctors. The deal has sales appeal two ways—to the employee by the intimation that an all comprehensive medical-hospital service *and* medicines can be delivered for the modest sum of $2.50 monthly *and* a free choice of *any* state registered medical doctor; to the doctor by the member's supposedly free choice of licensed physicians on a statewide basis, no exceptions."

If memory serves correctly, this is the continuation, or more properly the consummation, of the "or else" deal presented to the state medical council a year or so ago by some employees of the Portland branch of the telephone set-up. At that time their proposition did not look sound financially in light of the experience and they were advised to confer with the O.P.S. management to see if something with better arithmetic could not be developed. A preliminary meeting of sorts was held and that was all.

Some weeks later many doctors throughout the state received what amounted to a cooperating agreement
5710 to do work for this company-confined, aspiring hospital association, and there also appeared the inevitable fee schedule.

• • • • •

MEDICAL NOTES
PETE, THE PEST, SAYS

I see by the papers Dr. Raymond M. McKeown, the mayor of Coos Bay, is after more harmonious working among the various departments of his city government. He recently requested, and received, the resignations of seven department heads, including his police and fire chiefs. Could it be our Ray, thinking of when he will be a delegate to the centennial meeting in Atlantic City come June, is flexing his muscles preparatory to working over the A.M.A.?

Multnomah County division of O.P.S. delighted Portland's 22 per cent conscious physicians by paying off current checks at 85 per cent. Now the O.P.S. board of directors raises the fee schedule way up so future payoffs will get back to normal percentage so the big city medicos won't have to absorb such a shock again.

The grapevine hath it the doctor who advises the employees of the telephone company on medical affairs in their private hospital association (including the cutting of doctor fees which fail to comply to the telephone fee schedule) is a former power long associated with prepaid medical care in Portland. Just can't keep an old fire horse away from smoke even if it smells funny.

DOZEN CITIES PLAN HOSPITAL CONSTRUCTION

More than a dozen Oregon communities are proposing construction of hospitals, provided the state appropriates adequate funds for a hospital survey under the national hospital fund program, Dr. Harold M. Erickson, state health officer, reported to the State Legislature.

Erickson said the state survey program would require approximately $3300 for the remainder of the current biennium and $21,639 for the two years starting July 1. Oregon's share of the national hospital fund has been fixed at $2,330,967 over the next five years. State Budget Director George Aiken suggested that it might be possible for Oregon to obtain a substantial amount of federal money for hospital construction in event the state survey was completed. He referred particularly to state hospital construction.

$3,000,000 NOW AVAILABLE

Aiken's figures showed that $3,000,000 of state funds are now available for construction purposes at the Oregon state hospital located in Salem.

The program contemplates that the state shall make a survey of hospital needs, based on population and other factors, and advise communities requesting information regarding the need of hospital facilities. Erickson said such advice would save communities large amounts of money both in hospital construction and operation.

(This exhibit is part of the April 1947 issue of *Northwest Medicine.*)

Plaintiff's Exhibit 809

5711 MULTNOMAH COUNTY MEDICAL SOCIETY
PORTLAND, OREGON
OFFICE OF THE SECRETARY

July 25, 1942

Dr. L. M. Spalding, Secretary
Oregon Physicians' Service
Astoria, Oregon

Dear Dr. Spalding:

This letter is to inform the Board of Directors of the Oregon Physicians' Service that the Supervisory Committee of the Multnomah County Medical Society, appointed to represent the Council and act under its direction in supervising the activities of the Oregon Physicians' Service in Multnomah County, held a meeting on July 24, 1942, and considered a number of matters relating to the Oregon Physicians' Service. The Committee took the following actions:

1. Recommended to the Council of the Society and the Board of Directors of the Oregon Physicians' Service that all reference to the supplying of hospital accommodations and service be deleted from the Memorandum of Understanding entered into between the Oregon Physicians' Service and the Council of the Multnomah County Medical Society on June 7, 1942.

2. Approved the agreement between the Oregon Physicians' Service and the Multnomah Medical Service Bureau for the joint use of the office facilities and staff of the Bureau for the Portland Divisional Office of the Oregon Physicians' Service, the expense to be prorated between the two organizations on an equitable basis.

3. Recommended to the Council of the Society and the Board of Directors of the Oregon Physicians' Service that the physicians in Multnomah County who are eligible to render and who have agreed to render services to subscribers of the Oregon Physicians' Service be listed in pamphlets for the information of subscribers in one single alphabetical list, except in the case of the following specialties:

a. Diseases of the eye.

b. Diseases of the ear, nose, and throat.

c. Diseases of the eye, ear, nose, and throat.

d. Neuropsychiatry.

e. Neurosurgery.

f. Plastic and reconstructive surgery.

g. Diseases of the skin.

5712 4. Approved the agreement between the Oregon Physicians' Service and the Oregon State Industrial Accident Commission concerning first aid facilities and personnel at the Oregon Shipbuilding Corporation and the Kaiser Company, Swan Island Shipyard.

5. Recommended to the Board of Directors of the Oregon Physicians' Service that the Supervisory Committee of the Multnomah County Medical Society assume the medical direction of the Service in Multnomah County.

6. Voted to inform the Board of Directors of the Oregon Physicians' Service that many members of the Multnomah County Medical Society do not approve any plan of compensation for the administrative staff of any professionally-owned medical service bureau which is based on a proportion of the receipts of the organization, as recently adopted by the Board of Directors, for which reason the Committee believes that it is impolitic to continue this plan of compensation. The Committee recognizes that its duties are limited to recommending principles; nevertheless, the Committee thinks that, after having reported critically regarding this plan of compensation, it may not be inappropriate for it to offer some concrete, alternative plan that the Board of Directors might consider to replace the existing plan. Therefore, the Committee suggests that the administrative staff be compensated approximately on the following flat-salary basis as a working arrangement for the first year's operations, at the end of which time, the Board of Directors can reconsider the compensation of the administrative staff and make such adjustments as the Board deems proper under then existing conditions:

General Manager ..... $750.00 per month
Claim Supervisor ..... 600.00 per month
Public Relations Manager ..... 400.00 per month

Very sincerely yours,

MULTNOMAH COUNTY MEDICAL SOCIETY
SUPERVISORY COMMITTEE OF THE
OREGON PHYSICIANS' SERVICE

By (Signed) RICHARD B. ADAMS
Richard B. Adams, Chairman

J. E. Buckley, Vice-Chairman — Paul T. Neely

Thomas M. Joyce — Vernon J. Brown

RBA:d

Plaintiff's Exhibit 810

5713 MULTNOMAH COUNTY MEDICAL SOCIETY
PORTLAND, OREGON
OFFICE OF THE SECRETARY

October 31, 1942

Dr. L. M. Spalding, Secretary
Oregon Physicians' Service
Astoria, Oregon

Dear Dr. Spalding:

This letter is to inform the Board of Directors of the Oregon Physicians' Service that the Supervisory Committee of the Multnomah County Medical Society, which represents the Council in supervising the activities of the Oregon Physicians' Service in Multnomah County, took the following actions at its meeting on October 30, 1942:

1. Approved the fee schedule for physicians' service submitted by the Committee on Fee Schedule of the Oregon State Medical Society, with the understanding that this schedule be subject to revision in accordance with experience.

2. Approved the fee schedule for dental services submitted by the Oregon State Dental Association, with the understanding that cooperating dentists will accept payment on the same pro-rata basis as cooperating physicians, if unforeseen epidemics make such payment necessary.

3. Recommended to the Board of Directors of the Oregon Physicians' Service that Mr. Clarence J. Young be retained as legal counsel.

4. Recommended to the Board of Directors of the Oregon Physicians' Service that Mr. Clyde C. Foley, Executive Secretary of the Oregon State Medical Society, be employed on a part-time basis at a salary of $150.00 per month, effective as of August 1, 1942.

5. Suggested to the Board of Directors of the Oregon Physicians' Service that the provisions of the contracts providing for hospital service be amended by adding an alternative clause to provide that the subscriber shall obtain hospital service on his own responsibility for which he shall be reimbursed on the basis of a fixed per diem rate.

5714 6. Recommended to the Board of Directors of the Oregon Physicians' Service that the Service contribute a sum not to exceed $1000.00 toward the compensation of the lay and nursing personnel for the proposed clinic at Vanport City for the care of war industrial workers.

Very sincerely yours,

MULTNOMAH COUNTY SUPERVISORY COMMITTEE
OF OREGON PHYSICIANS' SERVICE

By (Signed) RICHARD B. ADAMS
Chairman

J. E. Buckley, Vice-Chairman — Paul T. Neely

Thomas M. Joyce — Vernon J. Brown

RBA:d

Plaintiff's Exhibit 812

5715 MULTNOMAH COUNTY MEDICAL SOCIETY
PORTLAND, OREGON
OFFICE OF THE SECRETARY

January 6, 1943

Dr. L. M. Spalding, Secretary
Oregon Physicians' Service
Astoria, Oregon

Dear Dr. Spalding:

As of July 7, 1942, a Memorandum of Understanding was made and entered into between the Oregon Physicians' Service and the Council of the Multnomah County Medical Society relating to the activities of the Oregon Physicians' Service in Multnomah County.

Item 3 of this Memorandum of Understanding reads as follows:

> "That the Council agrees to authorize the President of the Multnomah County Medical Society to appoint with its approval, a supervisory committee of five members to represent the Council and to act under the direction of the Council in establishing policies with respect to the services contracted for or to be contracted for by O.P.S. in Multnomah County and to direct this supervisory committee to present to the Council a written report each month concerning the activities of O.P.S. in Multnomah County, a copy of all such monthly reports to be kept on file in the office of the Society. It is understood that the terms of office of the members of this committee shall be fixed by the Council and that the personnel of this committee may be changed by the Council at any time."

At its meeting on January 5, 1943, the Council of the Multnomah County Medical Society voted to increase the number of members of the Supervisory Committee from five to nine.

The Council of the Multnomah County Medical Society requests the Board of Directors of the Oregon Physicians' Service to approve this change.

The personnel of the enlarged Supervisory Committee is as follows:

Dr. Richard B. Adams, Chairman

Dr. H. L. Blosser
Dr. Vernon J. Brown
Dr. Thomas M. Joyce
Dr. Paul T. Neely
Dr. Eugene W. Rockey
Dr. Raymond R. Staub
Dr. Joseph D. Sternberg
Dr. R. Lloyd Tegart

Very sincerely yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

By (Signed) JOHN RAAF
Secretary

Plaintiff's Exhibit 813

5716

Minutes of the
Regular Meeting of the Council
of the
Multnomah County Medical Society
Held at the Mallory Hotel
on Tuesday, March 2, 1943, at 8:00 P. M.

The meeting was called to order by President Charles P. Wilson with the following members present:

Charles P. Wilson
George E. Henton
E. E. Gambee
John Raaf
Rachel Carleton Sparks
John Besson
H. L. Blosser
Thomas D. Robertson
Stanley Lamb
Vernon J. Brown
Martin A. Howard

S. G. Henricke, R. A. Bissett, C. L. Booth, William H. Thayer, Wilson Johnston, David W. E. Baird, Ralf Couch, and the executive secretary were also present.

• • • • •

Plaintiff's Exhibit 814

5717 OREGON PHYSICIANS' SERVICE

Meeting of Board of Directors

Salem, Oregon, April 24, 1943

The meeting was held at 4:00 P. M. at the Salem office of Oregon Physicians' Service and was called to order by the President, D. R. Ross.

Directors present were: J. P. Brennan, George I. Hurley, D. R. Ross and L. M. Spalding.

Additional Class "A" stockholders and/or Voting Trustees were present as follows: Henry Garnjobst and George E. Henton. Also present were: Clyde C. Foley, Executive Secretary of the Oregon State Medical Society, and administrative personnel of Oregon Physicians' Service.

Due notice of meeting was presented and recorded.

Minutes of the Board of Directors meeting of January 16, 1943 were read and approved as read.

Requests from the Washington County Medical Society and from the Columbia County Medical Society were read to the effect that Oregon Physicians' Service has been requested to conduct operations in their respective counties. These requests are attached to this minute book next hereto.

A motion was duly carried that the requests of these two county medical societies shall be approved and that Oregon Physicians' Service shall proceed with operations as requested.

A communication from the Salem Supervisory Committee of Oregon Physicians' Service was read to the effect that said Division requests approval of a proposed Division Agreement and that the Division has appointed a Supervisory Committee in accordance with the terms of the proposed Division Agreement. This communication was ordered filed pending final determination of the
5718 Division Agreement.

A proposed Division Agreement between the physicians of Salem, Oregon and Oregon Physicians' Service, as previously approved by the members of said Division, was read and discussed in full. After reviewing this proposed Agreement fully the Board agreed informally that an opinion from the attorney for Oregon Physicians' Service shall be obtained for purposes of study prior to the

taking of final action. This matter will be referred to the next meeting of the Board of Directors.

The management stated that the current lease upon quarters occupied by the Salem office of Oregon Physicians' Service will expire on June 15, 1943 and that the Salem Supervisory Committee has recommended to the Board of Directors that a new lease be obtained on a year to year basis. Upon motion duly carried it was ordered that an effort be made to renew the present lease on quarters of the Salem office on a year to year basis.

A communication from the Multnomah County Supervisory Committee of Oregon Physicians' Service dated April 24, 1943 was read. This report, filed in this minute book next hereto, reviewed the actions taken by said Committee at its meeting held on April 23, 1943, as follows:

1. Approved the following changes in the fee schedule for physicians' services which the Committee had heretofore approved on October 30, 1942:

Office or hospital visits
Maximum weekly (Ordinary cases)
Increased from $9.00 to $12.00
Maximum weekly (Acute cases) after first week
Increased from $9.00 to $12.00

First Home visit
Increased from $5.00 to $7.00

Home visits — subsequent
Increased from $4.00 to $5.00
Maximum weekly (Ordinary cases)
Increased from $12.00 to $17.00
Maximum weekly (acute cases) after first week
Increased from $12.00 to $17.00

Emergency night visit — 8 P. M. to 8 A. M. — Sundays and holidays
Increased from $7.50 to $10.00

5719 Mileage—one way outside city limits—day
Increased from $ .75 to $1.00

Hysteropexy . . . Decreased from $150.00 to $100.00

Pneumothorax, refills
Increased from $4.00 to $7.50
Pneumothorax, artificial—$10.00—Deleted

2. Recommended that the services of Dr. Forrest E. Rieke, employed in the first aid station maintained at

the Oregon Shipbuilding Corporation, be terminated, effective June 1, 1943.

3. Authorized the management of the Oregon Physicians' Service, in its discretion, to enter into contracts to provide benefits to additional employe groups, within the limits of existing service facilities.

4. Recommended to the Board of Directors that the Oregon Physicians' Service bear a reasonable proportion of the operating expense of the Medical Society Telephone Service, Inc., but not to exceed the sum of $200.00 per month, for day and night exchange service rendered in locating physicians for subscribers.

After discussion a motion was duly carried that all actions stated in the communication from the Multnomah County Supervisory Committee of Oregon Physicians' Service dated April 24, 1943 shall be approved fully and that such actions shall likewise become directives of the Board of Directors.

It was understood that the changes in fee schedules as specified in said communication shall be effective only in Multnomah County, at least until some further action might be taken.

Full explanation and discussion ensued with reference to the development of hospital facilities at Vanport City, especially with regard to the connection of Oregon Physicians' Service therewith. The hospital service agreement, and a rider pertinent thereto, between Oregon Physicians' Service and the Housing Authority of Portland, Oregon were reviewed. After discussion a motion was duly carried that the execution by Oregon Physicians' Service of this contract with the Housing Authority of Portland, Oregon for operation of the Vanport City Hospital and for establishment of a hospitalization service plan at Vanport City shall be approved.

5720 An informal report from the Jackson County Supervisory Committee was reviewed to the effect that Dr. Edwin R. Durno, Trustee of Oregon Physicians' Service for the Medford District, has recommended that a proxy be appointed in his place to act as a representative of the Southern Oregon District during the time that Dr. Durno is active with the armed forces. It was agreed informally that such action is in order but that final determination necessarily must await the appointment of such a proxy holder by the Council of the Oregon State Medical Society.

After discussion a motion was carried that Mr. Ralph E. Jackson and Mr. Kenneth G. Manning, both Division Managers of Oregon Physicians' Service, shall be authorized to execute service contracts written by Oregon Physicians' Service, in addition Mr. Mr. Willard C. Marshall, General Manager. A motion was duly carried that the signatures of Ralph E. Jackson, E. E. Rubey and Barbara E. Smith shall be authorized as approved signatures on behalf of Oregon Physicians' Service in connection with the Employes' Defense Bond account now deposited at the United States National Bank of Portland.

Another motion was duly carried that the signatures of William H. Linhoff, Margaret Bristow, Ralph E. Jackson, E. E. Rubey and Barbara E. Smith shall be authorized as official signatures on behalf of Oregon Physicians' Service in connection with the Vanport Hospital Division account to be deposited in the Livestock-Kenton branch of the First National Bank of Portland.

The management reviewed the currently effective policy of Oregon Physicians' Service with regard to the purchasing of drugs and supplies. It was pointed out that prices have been obtained on all items from practically all of the accepted suppliers and that orders have been placed on the basis of quality, quantity and price considerations only. A motion was duly carried that this policy shall be approved and that the management shall proceed with
5721 all purchasing on the same basis as heretofore.

It was suggested informally that the making of purchases from suppliers not holding high reputations with the medical profession shall be discontinued insofar as practicable. However, it also was understood informally that the management shall exercise its best judgment with reference to purchase of any type.

Financial statements as of February 28, 1943 and tentative statements as of March 31, 1943 were reviewed by Mr. E. E. Rubey, Comptroller of Oregon Physicians' Service. Various questions were answered by Mr. Rubey. A motion was duly carried that these financial statements shall be accepted and ordered filed.

It was agreed informally that definite statements for the quarter ending March 31, 1943 shall be forwarded to all trustees of Oregon Physicians' Service by Mr. Rubev as soon as available.

A report was furnished by Mr. Willard C. Marshall, General Manager, with reference to the current status of amalgamation proceedings involving the Southern Oregon

Medical Service Association, the Physicians and Surgeons Hospital Association and the Multnomah Medical Service Bureau.

General progress of Oregon Physicians' Service up to this date also was outlined.

Execution of forms necessary to the obtaining of tax free alcohol for use at the Vanport City Hospital was approved by motion duly carried.

The current policy of the management with reference to refraining from advancing funds of Oregon Physicians' Service to employes for use in the purchase of automobile was approved by motion carried.

A motion was carried to the effect that Oregon Physicians' Service shall refrain from purchasing War Bonds at this time inasmuch as the organization has not as yet developed to a point where non-earmarked funds might be available for this purpose.

5722 The policy of the management with regard to refraining from advertising in various periodicals and in refraining from contributing to various medical and surgical care organizations was approved by motion duly carried.

The division of sales management duties between the Portland and Salem offices, as outlined by the General Manager, was approved informally.

A motion was duly carried that a letter shall be written to Dr. Thompson Coberth expressing regret by members of the Board of Directors concerning Dr. Coberth's current illness.

Considerable discussion ensued with reference to the naming of various locations for subsequent meetings of the Board of Directors. Portland was suggested as a desirable meeting place. Salem also was suggested as a convenient meeting place. The desirability of meeting at the home towns of various directors also was suggested as was the possible advantage of holding one meeting at the new Vanport City Hospital some time in the near future.

The matter of determination of meeting places was placed in the hands of the President, Secretary and General Manager, with the selection of each particular meeting place to be settled by conference of these parties.

It was suggested informally that the management should give attention to the possible inclusion in all Oregon Physicians' Service contracts of a clause for re-negotiation at times between the stipulated yearly contract dates.

Activities of the Committee on fee schedules of the Oregon State Medical Society were reviewed, particularly with

reference to the effect which fee schedules of Oregon Physicians' Service might have on the current program. No definite action was taken but it was agreed informally that a communication should be addressed immediately to Dr. E. B. McDaniels, Chairman of the Committee on Fee Schedules of the Oregon State Medical Society, stating
5723 that currently effective schedules of Oregon Physicians' Service definitely are temporary in nature and are subject to probable revision at any time.

Upon call from the President for consideration of unfinished or new business no additional business was presented.

Upon motion duly carried the meeting adjourned.

(Signed) L. M. Spalding
Secretary

Plaintiff's Exhibit 815

5724 MULTNOMAH COUNTY MEDICAL SOCIETY
PORTLAND, OREGON
OFFICE OF THE SECRETARY

April 24, 1943

Dr. L. M. Spalding, Secretary
Oregon Physicians' Service
Astoria, Oregon

Dear Dr. Spalding:

This letter is to inform the Board of Directors of the Oregon Physicians' Service that the Supervisory Committee of the Multnomah County Medical Society, which represents the Council in supervising the activities of the Oregon Physicians' Service in Multnomah County, took the following actions at its meeting on April 23, 1943:

1. Approved the following changes in the fee schedule for physicians' services which the Committee had heretofore approved on October 30, 1942:

Office or hospital visits
Maximum weekly (Ordinary cases)
Increased from $9.00 to $12.00
Maximum weekly (Acute cases) after first week
Increased from $9.00 to $12.00
First home visit
Increased from $5.00 to $7.00

Home visits—subsequent
Increased from $4.00 to $5.00
Maximum weekly (Ordinary cases)
Increased from $12.00 to $17.00
Maximum weekly (Acute cases) after first week
Increased from $12.00 to $17.00

Emergency night visit—8 P. M. to 8 A. M.—
Sundays and holidays
Increased from $7.50 to $10.00

Mileage—one way outside city limits—day
Increased from $.75 to $1.00

Hysteropexy . . . Decreased from $150.00 to $100.00

Pneumothorax, refills
Increased from $4.00 to $7.50
Pneumothorax, artificial—$10.00—Deleted

2. Recommended that the services of Dr. Forrest E. Rieke, employed in the first aid station maintained at the Oregon Shipbuilding Corporation, be terminated, effective June 1, 1943.

5725 3. Authorized the management of the Oregon Physicians' Service in its discretion, to enter into contracts to provide benefits to additional employee groups, within the limits of existing service facilities.

4. Recommended to the Board of Directors that the Oregon Physicians' Service bear a reasonable proportion of the operating expense of the Medical Society Telephone Service, Inc., but not to exceed the sum of $200.00 per month, for day and night exchange service rendered in locating physicians for subscribers.

Very sincerely yours,

MULTNOMAH COUNTY SUPERVISORY COMMITTEE
OF THE OREGON PHYSICIANS' SERVICE

By (Signed) RICHARD B. ADAMS
Richard B. Adams, Chairman

Harold L. Blosser
Vernon J. Brown
Thomas M. Joyce
Paul T. Neely
Eugene W. Rockey
Raymond R. Staub
Joseph D. Sternberg
R. Lloyd Tegart

RBA:w

Plaintiff's Exhibit 816

5726 MULTNOMAH COUNTY MEDICAL SOCIETY
PORTLAND, OREGON
OFFICE OF THE SECRETARY

June 12, 1943

Dr. L. M. Spalding, Secretary
Oregon Physicians' Service
Astoria, Oregon

Dear Dr. Spalding:

This letter is to inform the Board of Directors of the Oregon Physicians' Service that the Council of the Multnomah County Medical Society, at its meeting on June 11, 1943, took the following actions with respect to the activities of the Oregon Physicians' Service in Multnomah County:

1. Adopted a temporary constitution and by-laws for the Vanport City Hospital, a copy of which is enclosed.
2. Authorized the Oregon Physicians' Service to make available to its subscribers, on the order of the attending physician, bedside nursing to be provided by the Visiting Nurse Association.
3. Approved the appointment by President Charles P. Wilson of Vernon J. Brown as chairman of the Supervisory Committee, in the place of Richard B. Adams, resigned; and the appointment of Charles N. Holman as a member of the Committee in the place of Raymond R. Staub, resigned.

Very sincerely yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

By (Signed) John Raaf
Secretary

JR:w
Enc.

Plaintiff's Exhibit 817

5727 MULTNOMAH COUNTY MEDICAL SOCIETY
PORTLAND, OREGON
OFFICE OF THE SECRETARY

May 3, 1944

Dr. L. M. Spalding, Secretary
Oregon Physicians' Service
Astoria, Oregon

Dear Dr. Spalding:

This letter is to inform the Board of Directors of the Oregon Physicians' Service that the Supervisory Committee of the Multnomah County Medical Society, which represents the Council in supervising the activities of the Oregon Physicians' Service in Multnomah County, at its meeting on April 19, 1944, voted to recommend to the Council and the Board of Directors of the Oregon Physicians' Service that the existing contract with the Federal Public Housing Authority for the operation of the Vanport City Hospital be terminated at the earliest possible date.

The Council of the Multnomah County Medical Society adopted this recommendation at its meeting on May 2, 1944.

Very sincerely yours,

MULTNOMAH COUNTY SUPERVISORY COMMITTEE
OF THE OREGON PHYSICIANS' SERVICE

By (Signed) R. L. TEGART
Chairman

H. L. Blosser
Paul T. Neely
Charles P. Wilson

Plaintiff's Exhibit 818

5729 CONSTITUTION AND BY-LAWS OF
THE VANPORT CITY HOSPITAL

PREAMBLE

In order to provide the Vanport City Hospital with a temporary constitution and by-laws under which a medical staff may be organized and begin functioning, the Committee on Medical Education and Hospitals of the Multnomah County Medical Society, in accordance with the

request of the Council of the Society, has prepared the following constitution and by-laws and rules and regulations, which they hereby offer to the Council for its approval.

When a medical staff has been completely organized and an executive committee appointed, it will be the duty of that committee to prepare a permanent constitution and by-laws and rules and regulations and submit them to the Council for approval.

For the purpose of this constitution and by-laws, the term, "Medical Staff", shall be interpreted to include all physicians who are privileged to attend patients in the Vanport City Hospital.

Whenever the term, "Board of Trustees", appears, it shall be interpreted to refer to the Council of the Multnomah County Medical Society.

Whenever the term, "Executive Committee", appears, it shall be interpreted to refer to the Committee on Medical Education and Hospitals of the Multnomah County Medical Society.

ARTICLE I. NAME

The name of this organization shall be the "VANPORT CITY HOSPITAL MEDICAL STAFF".

ARTICLE II. MEMBERSHIP

Section 1. Qualifications

The applicant for membership on the Medical Staff shall be a graduate of a recognized medical school, legally licensed to practice in the State of Oregon, qualified for membership in the local medical society of his place of residence, a professional member of the Oregon Physicians' Service, and practicing within a reasonable distance of the Hospital.

Section 2. Application for Membership

Application for membership on the Medical Staff shall be presented in writing, on the prescribed form, which shall state the qualifications and references of the applicant, and shall also signify his agreement to abide by the By-laws, rules, and regulations of the Medical Staff.

Section 3. Terms of Appointment

Appointments shall be made by the Board of Trustees, upon the recommendation of the Executive Committee, and shall be for the period of one year, or until the end of the

fiscal year of the hospital (the calendar year). At the end of the year, the Board of Trustees may reappoint all members of the Medical Staff for a further period of one year, provided the Executive Committee has not recommended that any specific appointment shall not be renewed. In such case, all other reappointments may be made. Should the Board of Trustees wish to take the initiative in refusing to make a reappointment of any member, it shall so advise the Executive Committee, asking for a recommendation as to further action.—In no case shall the Board of Trustees take action on an application, refuse to renew an appointment, or cancel an appointment previously made without consultation with the Executive Committee.

5730 Section 4. Ethics and Ethical Relationships

The code of ethics as adopted by the American Medical Association and the American College of Surgeons shall govern the professional conduct of the members of the Medical Staff. Specifically, all members of the Medical Staff shall pledge themselves that they will not receive from, or pay to another physician, either directly or indirectly, any part of a fee received for professional services. On the contrary, it shall be agreed that all fees shall be collected and retained by the individual physician in accordance with the value of services rendered.

* * * * *

5731 * * * * *

ARTICLE IV. COMMITTEES

Committees shall be Standing and Special.

The Executive Committee shall consist of the members of the Committee on Medical Education and Hospitals of the Multnomah County Medical Society. The duties of the Executive Committee shall be to consider carefully and act on all matters which are of a clinical nature, and pertaining to the Staff, and it is expected that such business of the Staff shall be transacted by the Executive Committee. The Executive Committee shall act as a liaison group between the Medical Staff and the administration of the hospital. The Superintendent of the hospital and the Pathologist shall be "ex officio" members of the Executive Committee.

The work of a Credentials Committee, shall be done by the Executive Committee. Its duties shall be to investigate the credentials of all applicants for membership and to

make recommendations in conformity with Article II, Section 5c of these By-laws.

The duties of the Interne Committee shall be assumed by the Executive Committee which shall act as an advisory committee to the hospital in the selection of internes and residents to outline courses of instruction for the resident medical staff, and to see that they are carried out.

Special Committees shall be appointed from time to time by the Executive Committee as may be required to carry out properly the duties of the Medical Staff. Such committees shall confine their work to the purpose for which they were appointed, and shall report to the Executive Committee. They shall not have power of action unless such is specifically granted by the motion which created the committee.

• • • • •

5732 RULES AND REGULATIONS FOR THE VANPORT CITY HOSPITAL STAFF

• • • • •

5733 • • • • •

13. Except in emergency, consultation with an accredited consultant who is a professional member of the Oregon Physicians' Service shall be required in all major cases in which the patient is not a good risk, and in all curettages or other operations which may interrupt a known, suspected, or possible pregnancy. The consultant shall make and sign a record of his findings and recommendations in every case. In all cases where a rule of the hospital requires consultation and in the case of free patients, the consultant shall give his services without charge.

• • • • •

19. These rules and regulations shall become effective when adopted by the Executive Committee and approved by the Board of Trustees.

• • • • •

5734 23. Consultation with an obstetrician, who is a professional member of the Oregon Physicians' Service, must be held before:

(1) Caesarian Section.

(2) High forceps are used.

(3) Internal podalic version is performed, except in emergency.

Pituitrin must be limited to a dose of one minum per hour during the second stage of labor.

• • • • •

27. An infirmary, first-aid, emergency service shall be provided in the hospital. Patients, not subscribers of the Oregon Physicians' Service, who receive such care, shall be charged in accordance with the fee schedule for physicians' services approved by the Supervisory Committee of the Multnomah County Medical Society.

28. The Superintendent may, if necessary to provide infirmary, first-aid, emergency service, upon the approval of the Executive Committee, employ salaried physicians. Such salaried physicians shall be approved by the Board of Censors of the Multnomah County Medical Society prior to their employment. They shall not engage in private practice.

29. These rules may be amended at any regular meeting of the Executive Committee by a two-thirds vote of the membership present, and such amendment shall become effective when approved by the Board of Trustees.

• • • • •

(The Rules and Regulations are dated June 11, 1943.)

Plaintiff's Exhibit 819

5735 MINUTES OF MULTNOMAH COUNTY SUPERVISORY COMMITTEE

April 7, 1944 at 1:00 P. M. Campbell Court Hotel

Committee members present: Doctors Tegart, Blosser, Neely and Wilson.

Also present: Dr. Gordon Leitch, representing the Council of the State Medical Society, Mr. Clyde C. Foley and Messrs. Marshall and Rubey.

The meeting was called to discuss the feasibility of increasing the premium for medical and hospital coverage at Oregon Shipbuilding Corporation and Kaiser Company Inc. (Swan Island). A review of financial results of the contracts with the two Kaiser yards as compared with the Multnomah Medical Service Bureau contract at Willamette Iron and Steel Corporation was presented by Mr. Rubey. It was suggested that the results of the Kaiser contracts indicated a rate of 70c per week an in-

crease of 10c per week over the present rate. Copies of the financial results and memorandum on increase in rate are appended hereto.

After some discussion of the facts presented, the management of O. P. S. was requested to prepare a written report outlining plans deemed most appropriate for insuring a more favorable remuneration to the member physicians. Dr. Blosser suggested the feasibility of a premium based upon a percentage of each member's earnings. Basis of management's suggestions are to fall into four categories:

1. Rate required to maintain present services.
2. Services to be eliminated to permit present rate to cover all costs.
3. Disposition of Vanport City Hospital.
4. Suggestions embodying combination of one or more of above plans.

The management is to submit its report on Friday, April 14, at a time and place to be designated by Dr. Tegart. Upon submission of the report, Dr. Tegart is to appoint a special committee to work out final details and to assist Messrs. Marshall and Rubey with a renegotiation of the present shipyard contracts.

Penalty for late billing was discussed but no conclusion reached.

The meeting adjourned at 2:15 P. M.

Plaintiff's Exhibit 820

5736 Minutes of the Multnomah Supervisory Committee Meeting held on November 15, 1944. Members of the Committee present were Drs. R. Lloyd Tegart, Paul T. Neely and C. P. Wilson.

The Committee considered the following cases and problems involving Claims Administration:

1. James A. Larson, Willamette Iron & Steel, Dr. E. Merle Taylor. This subscriber alleged that Dr. Taylor refused to treat him as an O. P. S. patient stating that he was no longer a member of the O. P. S. staff. The Committee instructed O. P. S. management to direct a letter to Dr. Taylor inquiring as to his status as a staff member.

2. Dr. George A. Woodruff. Dr. Woodruff requested that he be allowed an additional $1.75 over and above the listed fee for house calls from his present office to Vanport City, stating that he received two or three of these calls a week from his old patients in Vanport. The Committee felt that O. P. S. would not be justified in making Dr. Woodruff any additional allowance on these emergency house calls.

3. Fees for Eye Refraction. Dr. Larry Young. Dr. Young had suggested that the Committee consider equalizing the fees for static and manifest refractions, stating that they involved equal work on the part of the physician. The Committee took no action on this suggestion, believing that the correct rate differential is justified in the majority of cases.

4. Deviated septum operations. Discussion was had as to the advisability of authorizing deviated septum operations on cases where in the opinion of the attending physician continued treatment would amount to a larger expenditure than the operative fee. They felt that in sinusitis cases the septum operation should be approved only if the subscriber would give O. P. S. a release from further obligation for the treatment of sinusitis.

5. Varicose vein injections—three on same day. The Committee believes that such a procedure was logical in certain cases and that the only limitation that should be imposed is that of the "authorization for more than six". Since the Committee's statement did not in fact solve the problem, the opinion was expressed that such procedure would be justified only in rare cases and that bills involving multiple injections on the same date should be referred to the Committee for consideration.

6. Fee for completion of Metropolitan blank—Dr. Rieker. After considering the problem of a staff physician charging for completion of the Metropolitan insurance form after O. P. S. had paid for actual treatment, and charging the subscriber $2.00, the Committee expressed the belief that such charge was of no concern to O. P. S. Since O. P. S. does not provide for treatment or examination requiring certification. The Committee believed that any charges of this nature are entirely up to the discretion of the attending doctor. (Dr. Rieker was criticized for making a charge under the circumstances, but the committee declined to intervene.)

5737

7. Regarding laboratory work, Dr. W. H. Clarke. After considering the fact that 50% of Dr. Clarke's patients are sent to outside laboratories for work, the Committee instructed O. P. S. to watch Dr. Clarke's laboratory referrals for another quarter and report back to the committee.

8. Regarding M. R. Nelson, County Road Department; E. F. Benadon, Roberts Brothers; P. M. Othus, District Engineers; Dr. Merle Moore. Dr. Merle Moore has billed O. P. S. for $150.00 covering allergy tests and treatment for one year on a chronic fee basis. The Committee instructed O. P. S. to allow in each case $30.00 for the initial examination and $120.00 annual fee in addition. Payment of this amount was, however, to be made on a quarterly basis, the doctor billing each quarter in the amount of $30.00. The initial quarter's payment was to include the additional $30.00 examination fee. The management is to write Dr. Merle Moore explaining this procedure.

9. Regarding E. R. Gowdy, Crown Mills; C. H. Cleveland, WISCO; T. E. Sweeney, Western Steel Casting. The first two, Dr. Marie Moore and the third, Dr. J. Otto George. After considering flat fees for allergy tests on the above cases, the Committee approved them as billed. The unanimous opinion was expressed that a complete series of allergy tests could be approved at any point in the range from $35.00 to $60.00.

10. Regarding M. F. Hunt, Oregon Shipbuilding Corporation, #31686, Drs. R. Lloyd Tegart and Guy R. McCutchan. After considering Dr. Tegart's bill for a "rib reaction" and Dr. McCutchan's concurrent bill for "hospitalization", the Committee determined to approve both bills as submitted even though there appeared to be some overlapping of fees.

11. Regarding L. Newton, WISCO, Dr. Ira E. Gaston. After considering Dr. Gaston's bills for "after-care", over and above the surgery fee in this case, the Committee approved the additional $79.00 for subsequent care during July and August, 1944.

12. George Meads, Kaiser Co., Inc., #19769, Drs. A. O. Pitman, D. E. Wiley. After having denied liability for "gall Bladder surgery" in this case at its last meeting, the Committee further considered statements from Drs. Pitman and Wiley concerning the justification of "gall bladder surgery". The opinion reversed its former position and

authorized O. P. S. to assume full responsibility for surgery performed on May 22, 1944. The management was instructed to write Drs. Pitman and Wiley calling their attention to the necessity for securing authorization before proceeding with major surgery.

5738 13. Regarding Wally Archer, Pilot Rock Lumber Company, Drs. W. C. Panton and T. J. Roemer. The question as to whether or not multiple daily "bleeding and coagulation tests" were practical in a surgery case which developed post surgery "phelebitis" was considered. The Committee believed that multiple daily coagulation tests were in order in this and similar cases.

14. Regarding George Wellesley, Kaiser Co., Inc., #23385, Dr. J. A. Pettit. After considering Dr. Pettit's request for an additional allowance over and above the regular $100.00 appendectomy fee, the Committee authorized O. P. S. to pay only at fee schedule rates for this surgery. The management was instructed to write Dr. Pettit explaining that our fees are set on averages rather than according to the difficulty of the particular case involved and that in this instance the Committee did not believe the case to be sufficiently out of the ordinary to warrant additional allowances.

15. Regarding Margaret McNeil, M & F Company, Dr. R. M. Dodson. Dr. Dodson billed $250.00 for a "subtotal hysterectomy" and an "appendectomy", submitting a note to the effect that this was a very difficult job and asking the Committee's approval of his additional fees. The Committee authorized payment of the regular fee ($150.00) for a subtotal hysterectomy and instructed the management to write Dr. Dodson explaining that O. P. S. fees were established on an average rather than on the basis of each particular case.

16. Regarding D. L. Hubert, Kaiser Co., Inc., #63384, Dr. S. A. Brandon, DMD. The Committee instructed the management to cut Dr. Brandon's $75.00 bill for treatment of an "subperiosteal abscess" from $75.00 to $26.00, and to write Dr. Brandon explaining that this fee was being allowed with the understanding that if he cared to submit additional information which would warrant payment over and above the fee for "subperiosteal abscess", the Committee would be happy to reconsider the allowance.

17. Regarding A. I. Nichols, Kaiser Co., Inc., #5097, Dr. Tom Joyce. Mr. Nichols had requested O. P. S. to

assume responsibility for hospitalization he will require in the repair of a hernia of ten years duration. The Committee felt that in spite of Mr. Nichols long period of membership his condition was one definitely excluded from coverage under the terms of our contract with Kaiser Co., Inc., Portland, and declined to take any action on Mr. Nichols' request.

5739 18. Regarding Jane A. Herman, WISCO, Dr. H. M. Nichols. Admitting diagnosis on this emergency surgery was an "acute appendix". Upon doing an emergency laparotomy Dr. Nichols found the gall bladder to be causing the trouble and removed it together with one tube and the appendix. The Committee authorized a $150.00 fee for the gall bladder surgery.

19. Regarding Ted Rayl, Poll Parrot Coffee Shop, Dr. E. Merle Taylor. Dr. Taylor has billed $250.00 each for two separate pieces of eye surgery to correct a "squint". The Committee authorized payment of $150.00 net for each operation.

20. Regarding V. A. Macki, Oregon Shipbuilding Corp., #85615, Dr. S. A. Kleger, Astoria. The Committee authorized a fee of $25.00 for the removal of "esophageol foreign body".

21. Regarding Bertrice O. Parsons, WISCO, Portland Clinic emergency surgery. The Clinic has billed for the removal of a chicken bone from the esophagus. The Committee authorized payment of the $75.00 as billed.

22. Regarding Harvey Hawkins, WISCO, Dr. Marr Bisaillon. The Committee believed that "undecking operation" for which Dr. Bisaillon billed $150.00 could be favorably compared with a rib resection and authorized payment of $85.00 at the listed fee for this surgery. The Committee instructed O. P. S. management to advise Dr. Bisaillon that from the evidence presented $85.00 seemed a reasonable fee but in the event that surgery involved substantially more than a rib resection, the Committee would be glad to consider such additional information as Dr. Bisaillon cared to present.

23. Regarding Rose Stirnweis, Radio Specialty, Dr. Sidney Mayer. Dr. Mayer had billed $4.00 each for diabetic lessons. The Committee authorized payment for these lessons in the amount of $2.50 per lesson.

24. Regarding Theodosia Chenoveth, City Hall, Dr. C. C. Petheram. The Committee approved Dr. Petheram's bill for the removal of cataracts from both eyes, each bill in the amount of $150.00.

25. Regarding E. L. Sindoni, Kaiser Co., Inc., #65940. Dr. Clyde Van Vlerah. Dr. Van Vlerah had billed $186.00 for the incision and draining of twoischio rectal abscesses and the office removal of a fistula, his total bill being $186.00. Since this included considerable after-care and dressings the Committee requested that the bill be fitted to our fee schedule the total amount not to exceed $110.00. The management was asked to write Dr. Van Vlerah explaining the adjustment of his bill.

5740 26. Regarding L. G. Carty, Kaiser Company, Inc., #93363, Drs. Joseph Paquet and William Conklin. In this case O. P. S. has denied responsibility for a lung cyst which followed an attack of pneumonia in August, 1944. The cyst was obviously an old condition, predating Mr. Carty's membership. The Committee after reviewing Dr. Conklin's letter of September 22, 194[illegible] was of the opinion that the pneumonia was the immediate cause of surgery on the lung cyst and authorized acceptance of the entire case.

27. Regarding T. W. Stoppelcomp, Columbia Aircraft Corporation, Dr. J. W. McCollom. The Committee approved Dr. McCollom's bill for the removal of the nasal spur in the amount of $35.00.

28. Regarding Ollie Noakes, WISCO, Dr. Harry Shoot. Willamette Iron and Steel Corporation through Mr. Mammen had requested O. P. S. to reconsider the decision in connection with surgery on the above subscriber March 30, 1943. The Committee, after considering the written release signed by Mrs. Noakes declined to take any additional action on the matter.

29. Regarding H. R. Bloomer, Oregon Shipbuilding Corporation, #28995, Dr. Bollam and Dr. Black. This case was considered by the Committee at its previous meeting and because authorization for surgery had once been given, recommended that O. P. S. pay the bill regardless of the fact that authorization was given on erroneous medical history. Dr. Gordon Leitch had asked that the case be held up until the Committee could reconsider. At this time the Committee affirmed its former position that Dr. Bollam's

fee should be paid because he had done the surgery on the authorization of O. P. S.

30. Regarding Gladys Emrich, Oregon Shipbuilding Corporation, #78882, Dr. E. Merle Taylor. Dr. Taylor's bill for $300.00 for "O'Conner on the left externus" was reduced by the Committee to $150.00.

31. Regarding C. C. Howard, Oregon Shipbuilding Corporation, #25864, and Olga Laine, Oregon Shipbuilding Corporation, #104571, Dr. Leo Lucas. In the Howard case the Committee cut Dr. Lucas' bill from $100.00 to $75.00 the listed fee for a fractured oscalsis. This eliminates any charge for manipulation of the leg. In the Olga Laine case, the Committee approved Dr. Lucas' bill on "manipulation of the shoulder" in the amount of $75.00.

Plaintiff's Exhibit 821

5741 MINUTES MULTNOMAH COUNTY SUPERVISORY COMMITTEE
MEETING HELD FEBRUARY 19, 1945
471 PITTOCK BLOCK, PORTLAND

MEMBERS PRESENT: Drs. R. Lloyd Tegart, Chairman, Charles P. Wilson, C. Elmer Carlson, W. A. Shea. Also in attendance were Drs. Blair Holcomb, Dr. Forrest E. Rieke and Dr. Knox Finley and O. P. S. Administrative personnel.

1. *Report on Meeting with Oral Surgeons*—O. P. S. administrative personnel outlined steps that had been taken toward the establishment of a uniform schedule of fees for those procedures ordinarily performed by oral surgeons and not contemplated in the dental fee schedule adopted by the Oregon State Dental Society for the use of hospital associations. The Committee generally approved a procedure whereby recommendations of the oral surgeon group would be presented to the Committee for consideration at its next meeting.

2. *Additional Allowance on Difficult Cases*—General discussion was held as to the policy which should be followed by O. P. S. Management in adjusting cooperating members' fees for particularly difficult cases. It was pointed out that the fee schedule contemplated equitable adjustments when justified by special reports from cooperating members. The Committee asked that only those adjustments involv-

ing substantial sums of money be referred to it for consideration and that the O. P. S. Management adjust minor requests for additional fees.

• • • • • •

5742 5. *Fees for Intestinal Obstructions from Adhesions*—The Committee was of the opinion that the $125.00 listed fee for an intestinal obstruction was intended to apply to those surgeries in which bowel resections were done. The Committee recommended an exception to this rule in cases where the obstructions were found to be due to multiple abdominal adhesions.

6. *Anesthetist's Fees*—The subject of O. P. S.' fees for M. D.'s who limit their practices to the field of anesthesia was discussed in the light of a recent ruling by the State Industrial Accident Commission, establishing a separate schedule of fees for the services of anesthesia specialists. The Committee voted to adopt the Accident Commission's schedule with one significant change—that the schedule be applied to services of all M. D. anesthesia specialists rather than just to diplomates of the American Board of Anesthesiology. The Committee's ruling means that Drs. Hutton, Noble and Greaves will henceforth be entitled to bill O. P. S. at the adopted rates.

7. *Individual Members Fees Greater Than The General Average of Fees For Similar Work*—The Committee was advised that there were a few general practitioners whose fees consistently ran over the general average of fees for all the general practitioners. The Committee recommended that O. P. S. Management endeavor to determine which of the general practitioners in Multnomah County fell in this category and to report to the Committee at its next meeting.

8. *Dr. Blair Holcomb*—Dr. Holcomb discussed with the Committee the problem of a closer relationship among the O. P. S. Supervisory Committee for Multnomah County, the Council of the Multnomah County Medical Society, the Council of the State Medical Society and the O. P. S. Board of Directors. He expressed the belief that much closer relationships than have existed heretofore were essential, and specifically requested that the Multnomah County Supervisory Committee have a representative and that the O. P. S. Management have a representative at every future meeting of the County and State Councils. Dr. Holcomb further encouraged the Committee to con-

cern itself with policy and planning matters affecting Multnomah County. The Committee then requested that Messrs. Marshall, Rubey and Harvey attend the next Supervisory Committee and also the next County meeting being prepared to discuss the present economic position of O. P. S. and also its intentions as to the continuance of the Service Plan as it is now constituted.

Plaintiff's Exhibit 822

5743 OREGON PHYSICIANS' SERVICE

Portland

MINUTES OF MULTNOMAH COUNTY SUPERVISORY COMMITTEE, March 2, 1945, 12:30 PM

Campbell Court Hotel, Portland

PRESENT: Dr. R. Lloyd Tegart, Chairman, Dr. W. A. Shea, Dr. C. P. Wilson and O. P. S. Administrative Personnel

At a special meeting called by Chairman Tegart on March 2, 1945, the O. P. S. Supervisory Committee for Multnomah County considered the suggestion made by Dr. Forrest E. Rieke, at its meeting on February 19, 1945, that a "full coverage" medical and hospital plan be developed and offered to present O. P. S. subscribers working in defense industries. The suggested plan would be written at an increased premium rate, and would provide service for such "preexisting" conditions as are eliminated from coverage under the present O. P. S. contracts.

The Committee, after considering this matter, declined to recommend any changes in existing O. P. S. contracts for the following reasons:

(1) There have been no specific demands from either labor or management for the expansion or extension of present coverage of worker groups.

(2) Uncertainty as to continued large scale employment in defense industries particularly Oregon Shipbuilding Corporation and Kaiser Company, Inc., Portland makes questionable the expansion of coverage for migratory workers.

(3) A thirty-one day analysis of Oregon Shipbuilding Corporation and Kaiser Company, Inc., Portland cases rejected under present contracts does not indicate any substantial number of subscribers are being denied medical care by virtue of the clause in existing contracts eliminating "preexisting" conditions from coverage. Of 8,250 cases reviewed only 2% were rejected as "preexisting". Since O. P. S. standard contracts provide more extensive benefits than those written for the two large shipyards, it is a fair assumption that the percentage of rejected cases under the standard contracts would be even smaller than the percentage for the two shipyards.

Signed: R. Lloyd Tegart, M. D.
Chairman

Plaintiff's Exhibit 823

5744 MINUTES MULTNOMAH COUNTY
SUPERVISORY COMMITTEE
MEETING HELD MARCH 27, 1945
471 PITTOCK BLOCK

MEMBERS PRESENT: Drs. R. Lloyd Tegart, C. P. Wilson, W. A. Shea and C. Elmer Carlson and Oregon Physicians' Service Administrative Personnel.

1. The Committee approved the rate changes noted in a letter from the Portland Council of Hospitals under date of March 24, 1945. Accordingly, O. P. S. will honor charges over and above the $6.00 ward rate for all "biologicals" given, and beginning April 1, 1945 will also pay the hospitals at the rate of $5.00 per 100,000 units of penicillin. The Committee instructed Management to secure from the Portland Council of Hospitals a list of what they consider to be "biologicals".

2. After considering the proposed office use of penicillin, the Committee was of the opinion that the office administration of this drug is at this time not considered standard therapeutic procedure for any condition covered by O. P. S. standard contracts, and therefore instructed Management not to authorize office administration of this drug.

3. Further discussion of the extent to which O. P. S. should be responsible for plastic or cosmetic surgery where the restoration of lost function is not involved, resulted

in the Committee reaffirming its former position of limiting our liability for this type of surgery to such cases which do involve lost functions. The Committee did, however, state that cases involving the removal of scar tissue resulting from accidents for which O. P. S. was liable should be handled on an individual basis and that in any such cases one of the Committee members should discuss the matter with the operating surgeon.

4. After considering the letter under date of March 24, 1945 from the office of Dr. E. W. Rockey, the Committee declined to establish a separate fee for a "sliding hernia". Management was instructed to advise Dr. Rockey that additional allowances for particularly difficult cases could be made in accordance with the fee schedule, but that additional allowances based on the particular kind of hernia surgery would not conform with the principles under which our schedule of uniform fees was established.

5. The Committee, after considering a letter from Dr. R. H. Swinney under date of March 9, 1945, instructed Management to acknowledge the doctor's letter and to advise him that his name would be removed from our published list of cooperating physicians, and that O. P. S. would be happy to have him take care of referred surgery. The Committee declined to take further action on Dr. Swinney's proposal that a "general surgery" panel be established.

5745 6. The Committee approved a fee range of $15.00 to $25.00 for cases involving the coagulation of severe epistaxis, and which did not require more than two or three office, home, or hospital visits. It was the Committee's opinion that more severe epistaxis cases requiring continued hospitalization should be entitled to a larger fee.

7. The Committee established the following orthopedic fees:

1. For a saucerization operation including three months' after care, the range of $50.00 to $125.00. Saucerization operations performed on "small" bone work would be paid at the lower end of the range, and large bone saucerization operations were to be paid near the higher limit of the range. Management was instructed to maintain records on saucerization operations for a period of one year and to report back to the Committee.

2. Where major orthopedic surgery does not result in a cure and the surgeon is required to do a second major orthopedic operation, two full major surgery fees are to be allowed. (Example: Laminectomy followed by a spinal fusion.)

3. The Committee established a fee of $50.00 for a Brodie's abscess.

4. The Committee established a fee of $125.00 (including three months' after care) for an "osteomylitis of the ilium".

8. The Committee requested that, if possible, O. P. S. furnish an analysis by industry of the number of contracts and the number of subscribers in Multnomah County, such analysis to be presented at the County Council Meeting on April 3, 1945.

(Signed) JEH

Plaintiff's Exhibit 824

5746 MINUTES MULTNOMAH COUNTY
SUPERVISORY COMMITTEE

MEETING HELD MAY 18, 1945

CAMPBELL COURT HOTEL

PORTLAND, OREGON

12:15 PM

MEMBERS PRESENT: Drs. R. Lloyd Tegart, Chairman, William A. Shea, C. P. Wilson and O. P. S. Administrative Personnel, W. C. Marshall, J. E. Harvey, Jr. and A. W. Knox.

1. Dr. Tegart brought up the subject of a more intensive promotional campaign in Multnomah County than has heretofore been followed. He explained to Committee members that the O. P. S. Board of Directors had recently given its approval to such a program, subject to the wishes of the Multnomah County Supervisory Committee. Dr. Tegart further explained that the volume of subscribers in this county has decreased considerably, and will probably continue to decrease as the two major shipyards decrease their payrolls. The Committee unanimously approved a program for the active extension in Multnomah County of the type of coverage presently written by O. P. S.

2. After considering the schedule of fees proposed by a group of Portland oral surgeons (dentists) the Committee suggested that Management endeavor to arrange a meeting to be attended by representatives of the oral surgeons group, the State Industrial Accident Commission and the Multnomah County Supervisory Committee for O. P. S. The purpose of such a meeting would be to discuss proposed schedule of fees.

3. After considering the Management's report on recent negotiations with Drs. Coffen, Boylen, Rush and Associates, the Committee ordered that if and when a proposal for continued cooperation with O. P. S. is presented by the above group of doctors, it be referred to the Committee of the Multnomah County Council appointed to study the relationships of internists to O. P. S. The Committee suggested that at an appropriate time, Drs. Coffen, Boylen, Rush and Associates be advised of the Management's action in referring this matter to the Council Committee.

Upon consideration of a letter from Dr. George K. Armen concerning the office administration of penicillin, the Committee recommended that no further action be taken on this matter and that Dr. C. P. Wilson be requested to discuss this problem informally with Dr. Armen and endeavor to secure his continued cooperation.

5. The Committee recommended action on the following bills:

a. Dr. H. Minor Nichols—Arthur Wittmayer, Pay Office. The Committee requested Management to determine either from Dr. Nichols' or Good Samaritan Hospital records whether or not a subphrenic abscess was actually treated in this case, and to refer the problem back to the Committee at its next meeting.

5747 b. Dr. J. Otto George—L. H. Eblen, Oregon Ship #105262 The Committee, on the basis of information available, was of the opinion that Dr. George's bill should be reduced from $100.00 to $50.00 However, before taking action on this case, the Management was requested to contact Dr. Shea who volunteered to examine Mr. Eblen's file and chart record at Providence Hospital for the purpose of determining whether or not $50.00 would be an adequate fee.

c. Dr. Ben Wade—Harry Malone, Kaiser Company, #17287 The Committee, after considering an abstract of the hospital chart record in Mr. Malone's case

recommended that Dr. Wade's bill be reduced from $250.00 to the listed O. P. S. fee for an intestinal resection.

Plaintiff's Exhibit 825

5748

OREGON PHYSICIANS' SERVICE
SUPERVISORY COMMITTEE
for
MULTNOMAH COUNTY

MEETING OF JUNE 18, 1945

CAMPBELL COURT HOTEL

PORTLAND, OREGON

12:15 P. M.

MEMBERS PRESENT: Drs. R. Lloyd Tegart, Chairman, William A. Shea, C. Elmer Carlson and O. P. S. Administrative Personnel

MINUTES

The meeting was called to order by Dr. R. Lloyd Tegart, Chairman, and the minutes of the May 18, 1945 meeting were approved as read.

In consideration of a request by the Council of the Multnomah County Medical Society, the Committee asked that mimeographed copies of its minutes be made available to members of the Council.

Dr. R. Lloyd Tegart reported to the Committee that the Council of the Multnomah County Medical Society endorsed the May 18, 1945 Committee action authorizing more intensive promotional activity in Multnomah County directed toward the acquisition of certain industrial accounts.

O.P.S. management reported that a representative of the State Industrial Accident Commission had been asked to attend a proposed meeting with representatives of the Supervisory Committee and the Multnomah County Oral Surgeons Group for the purpose of discussing oral surgery fees.

The management reported that Drs. Coffen, Boylen, Rush and associates, due to conditions beyond their control, had found it necessary to withdraw from the O.P.S. panel of cooperating physicians and surgeons.

The Committee reaffirmed its previous decision establishing a surgical fee of one hundred fifty dollars ($150.00) in the case of Harry Malone.

Letter from Dr. R. M. Fouch concerning the position taken by O.P.S. in connection with additional expense involved in the office administration of Penicillin was read but not acted upon.

The Committee established a basic fee of two hundred dollars ($200.00) for surgery involving cancer of the splenic flexure (two stages).

In the case of Dave Tiona, the Committee asked that the subscriber be referred to an internist for confirmation of diagnosis.

A statistical analysis of first quarter 1945 payments to cooperating physicians and surgeons in Multnomah County was reviewed by the Committee.

5749 A statistical summary of cooperating physicians' (general practitioners) bills which averaged approximately 25% more than the general average for Multnomah County was reviewed. No action was recommended, but management was requested to continue to make quarterly analyses of such bills.

There being no further business, the meeting was adjourned.

Plaintiff's Exhibit 826

5750 MINUTES OF MULTNOMAH COUNTY SUPERVISORY COMMITTEE MEETING

Meeting July 27, 1945

7:30 P.M. at O.P.S. Administrative Office

Attending: Dr. R. Lloyd Tegart, Chairman, Drs. Wm. A. Shea and Ira E. Gaston and O.P.S. Administrative Personnel.

The minutes of the June 18, 1945 meeting were read and approved.

A detailed analysis of first quarter, 1945 staff physicians' bills that exceeded the general average for staff physicians' bills in Multnomah County was considered. Although the Committee was of the opinion that some method of equalization would be desirable, it did not recommend specific action at this time. However, the management of O.P.S. was instructed to continue to adjust individual bills where it deems such action necessary for the satisfactory operation of the Multnomah County pool.

A review of the financial status of O.P.S. in Multnomah County brought forth the conclusion that the peak in "war

industry" coverage by O.P.S. has been passed, and that both the number of subscribers in war industries and the gross income from war industry contracts are gradually declining.

Action of the O.P.S. management in asking that bills from qualified Physical Therapists be submitted only on O.P.S. referral requisitions signed by the referring physicians, or upon the Physical Therapists' bill head countersigned by the referring physician, was approved. This procedure was deemed necessary to insure Physical Therapy for O.P.S. cases being given only upon the recommendation of the attending staff physician.

The question of proper fees for the office administration of penicillin in O.P.S. cases was again considered. The Committee was of the opinion that the O.P.S. management was not in a position to determine the advisability of penicillin therapy in O.P.S. cases, and that its use must be determined by the individual cooperating physician. Management was instructed to compensate cooperating physicians for such therapy on the basis of the uniform basic fee schedule, one dollar and fifty cents ($1.50) per injection.

The O.P.S. management was instructed to draft for the Committee's future consideration a schedule of fees for oral surgical procedures. Such a schedule would follow the general pattern suggested by the oral surgeons group, but it would be more in keeping with O.P.S. schedule rates.

Dr. F. E. Rieke appeared before the Committee to discuss the desirability of continuing industrial medical dispensary services on a scale applicable to small employers not in a position to individually provide their employes with this type of service.

There being no further business, the meeting was adjourned.

(Signed) R. Lloyd Tegart
R. Lloyd Tegart, Chairman

Plaintiff's Exhibit 827

5751 MINUTES OF MULTNOMAH COUNTY SUPERVISORY COMMITTEE MEETING

Meeting October 1, 1945 7:30 P.M. at O.P.S. Administrative Office

Attending: Dr. R. Lloyd Tegart, Chairman; Drs. Wm. A. Shea, C. P. Wilson, C. Elmer Carlson and O.P.S. Administrative Personnel.

The minutes of the July 27, 1945 meeting were read and approved.

Complaints from two physicians practicing in Vanport City were presented to the Committee. The physicians stated that their compensation for services to O.P.S. subscribers during the second quarter of 1945 had been unreasonably reduced by the segregation of the "Multnomah County" and "Shipyard" pools, and the consequent payment of a lower percentage on the shipyard pool. The Committee took no action but invited the physicians involved to appear at its next meeting for further discussion.

The Committee reviewed the effects of recent mass terminations in war industries upon the Portland Division income and number of subscribers.

Discussion was had concerning the cost of treating O.P.S. subscribers diagnosed as having Undulant Fever. No change in the present compensation schedule for this type of treatment was recommended.

The Committee adopted a schedule of fees pertaining to oral surgical procedures and instructed the O.P.S. management to submit such schedule to Oral Surgeons in Multnomah County for consideration.

A motion was passed that the O.P.S. Board of Directors be requested to consider increasing premium rates for standard coverage.

The Committee ruled on the following claims:

1. John Bone, an employe of Kaiser Company, Incorporated: The Committee held that Mr. Bone's condition did not originate prior to his membership in O.P.S., and that O.P.S. should assume the cost of surgery and hospitalization.

2. William A. Johnson, an employe of Oregon Shipbuilding Corporation: The Committee set a fee of one hundred fifty dollars ($150.00) for treatment of fractured third, fourth and fifth cervical vertebrae.

3. W. E. Lem, an employe of Oregon Shipbuilding Corporation: The Committee held that surgical and hospitalization costs in connection with the repair of this subscriber's incarcerated inguinal hernia were properly the liability of O.P.S.

There being no further business, the meeting was adjourned.

(Signed) R Lloyd Tegart
R. Lloyd Tegart, Chairman

Plaintiff's Exhibit 828

5752 MINUTES OF MULTNOMAH COUNTY SUPERVISORY COMMITTEE MEETING

Meeting December 3, 1945 7:45 P.M. at O.P.S. Administrative Office

Attending: Drs. C. P. Wilson, William A. Shea and O.P.S. Administrative Personnel

The minutes of the meeting of October 1, 1945 were read and approved.

The Committee had for consideration a letter from Dr. C. I. Drummond, Secretary of Oregon Physicians' Service Board of Directors, replying to the Multnomah County Committee's request that the Board consider the feasibility of rate increases to subscribers. The Committee concurred in the Board's opinion that it would be advisable to secure at least a brief period of post war actuarial experience prior to setting post-war standards concerning premium rates. The Committee asked that the matter be brought up for consideration not later than September, 1946.

Financial statements reflecting the condition of the Multnomah County Pool during the months of July, August and September were reviewed. Although substantial decreases in both income and expenses were noted during the months of August and September, 1945, these decreases can be ascribed almost entirely to large scale reductions in the personnel of three or four war industries with whom O.P.S. has contracts. It is estimated that the months of September and October, 1945 represent the low point in the reconversion process so far as O.P.S. membership in Multnomah County is concerned.

It was reported to the Committee that Oregon Physicians' Service Board of Directors had approved the family hospitalization, and family surgical and hospitalization riders to present employe group contracts. The effect of the family program in such other counties as approve it, upon cooperating physicians in Multnomah County was discussed. It was pointed out that Multnomah County cooperating physicians may have occasion to treat referred cases from other counties where the patient would be covered by the family program.

It was reported to the Committee that an audit of O.P.S. operations has been completed by the State Insurance Commissioner. A major development in connection with the audit is the Insurance Commissioner's request that

O.P.S. establish certain cash reserves to be carried over from one fiscal year to the next for the purpose of paying medical, hospital and other service bills for which liability had been incurred during prior fiscal periods. The Commissioner recommends that the amount of these reserves for any fiscal period be calculated and estimated on the basis of the experience of the preceding fiscal year, and assures O.P.S. that such reserves may be reported as a liability on its annual balance sheet.

The Committee took the following action with respect to the uniform basic fee schedule as applied to services rendered by cooperating physicians in Multnomah County:

a. Established a fee of $175.00 for a hysterosalpingo-oophorectomy

b. Established a fee of $100.00 for a salpingo-oophorectomy

c. The Committee ruled that in orthopedic cases involving a flat fee, the Orthopedist would not be entitled to an additional consultation fee.

(Signed) CHARLES P. WILSON
Charles P. Wilson, M. D.,
Acting Chairman

Plaintiff's Exhibit 829

5753 MINUTES OF MULTNOMAH COUNTY SUPERVISORY COMMITTEE MEETING

Meeting April 22, 1946

6:30 P. M. at the Campbell Court Hotel

Attending: Drs. C. P. Wilson, Chairman, C. Elmer Carlson, R. H. Swinney, W. H. Hollenbeck, Paul Bailey and D. S. Swart.

Members of O.P.S. Administrative Staff present: C. W. Kincaid, William Sundberg and Joseph E. Harvey, Jr.

Minutes of the March 25, 1946 meeting were read and approved.

Dr. R. H. Swinney reported that the Council of the Multnomah County Medical Society had accepted the Supervisory Committee's recommendations concerning:

a. Notice to O.P.S. by hospitals when rate changes are contemplated.

b. Establishment of a specialty panel for general surgeons.

c. Expansion of the O.P.S. Supervisory Committee from five to seven members.

Because of the marked upward trend in hospital costs under O.P.S. contracts, the Management was requested to analyze a sample of hospital bills and to report to the Committee at its next regular meeting.

A motion was passed asking the O.P.S. Board of Directors to consider the feasibility of an increase in the premium rate to subscribers immediately, as the problem of increasing service costs in Multnomah County is becoming more acute each week.

A motion was passed instructing the O.P.S. Management to request all cooperating physicians and surgeons in Multnomah County to consider the April 1, 1946 fee schedule in relation to their particular fields of practice and to point out by code number and name any items in which they consider inequities to be present, together with suggested changes. The Committee also instructed the Management to discontinue any fee arrangements with individual cooperating physicians that do not conform to the published fee schedule.

Dr. R. H. Swinney made a brief report on indemnity medical and hospital insurance plans. Further discussion of that subject and the subjects "Adequate Medical Care under a Prepaid Plan" and "Extension of Coverage to Individuals" were ordered placed on the agenda for the Committee's next regular meeting.

Claims:

1. John Bostrom, employed by Acme Metal Works.

At its March 25, 1946 meeting the Committee set a fee on the above case. A letter from the attending surgeon was read to the effect that the Committee's
5754 allowance was inadequate. After discussion, the Committee asked that the attending surgeon be invited to attend its next regular meeting to discuss the case.